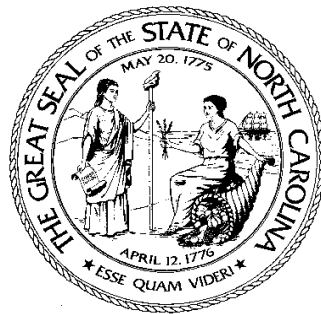


Instructions for Preparation of the 1999-2001 Recommended State Budget and the Biennial State Plan



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April 1998

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1. INTRODUCTION

The State of North Carolina appropriates operating and capital funds on a biennial cycle. The approved budget has annual amounts for each of the two years in the biennium, with the appropriation for the first year of the biennium effective July 1 of each odd-numbered year. Biennial budget preparation begins in even-numbered years. The operating and capital budgets for the second year of a biennium are adjusted in a "short" legislative session, which is traditionally in May-June of even-numbered years, as required for revenue collection fluctuations and items such as salary increases and emergency items.

The following planning and budget instructions are to be used in the preparation of 1999-2001 biennial budget requests from departments and agencies for submission to the Governor as Director of the Budget.

Changes in the instructions from the previous biennium are highlighted in Section 2 of this document. A glossary is included which defines the terms associated with the planning and budget process.

North Carolina continues its efforts to integrate planning and budgeting. In 1997, performance planning and budgeting was expanded to 10 program areas, incorporating all state supported activities. In the 1999-2001 biennial budget process, North Carolina will strengthen the ties between planning and budgeting by linking organizational operations, objectives and agency-specific performance measures and targets. The planning and budget instructions reflect these efforts.

Questions related to the instructions for performance/planning should be referred to the appropriate planning analyst in the Office of State Planning. All other questions related to budget preparation should be referred to the appropriate budget analyst in the Office of State Budget and Management.

Upon submission of budget requests from departments and agencies, the Office of State Budget and Management will review the requests in preparation of Governor Hunt's recommended budget. Governor Hunt will present the recommended budget to the General Assembly on the date of his State of the State Address early in the legislative session.

The legislative session will convene in January 1999 for the upcoming biennial budget cycle. During this session, the General Assembly will consider Governor Hunt's recommended budget as well as other changes presented for legislative review. Following legislative review, a two-year budget will be approved by the General Assembly and certified by the Office of State Budget and Management in the summer of 1999.

2. HIGHLIGHTS OF CHANGES FROM PREVIOUS BIENNIUM

This section provides a brief description of the changes in the instructions from the previous biennium.

- Planning and Budget Instructions are consolidated in this document to provide agencies with a single point of reference for all phases of planning and budget preparation.
- Food, Drugs, Gasoline and Fuel Oil, and Medical Supply increases will be allowed again this biennium based on inflationary rates. Clothing, Telephone Service, Water and Sewer, Textbooks and Educational Supplies (K-12 schools), Motor Vehicles, Electricity, and Natural Gas will be allowed on a case-by-case basis, provided the agency can sufficiently document the increase.
- Inflationary increases for library books will not be included in the continuation budget. Increases may be requested through the expansion budget.
- Workers' Compensation, unemployment compensation, premium pay, and overtime should be based on the authorized budget. Longevity will be based on 1997-98 actual expenditures.
- Any legislative salary increases that may be authorized for 1998-99 by the 1998 Session of the General Assembly will not be reflected in the authorized budget for 1998-99 to allow for more timely distribution of the initial Worksheet I to agencies.
- Salary increases required by General Statute for certain specified classifications of positions, such as magistrates, clerks of court, and the highway patrol will be included in the continuation budget.
- A Reconciliation of Authorized Position Counts and Budgeted Salaries will be generated by Office of State Budget and Management (OSBM) from the Budget Preparation System (BPS) data base. The Personnel Schedule will not be required as part of the submitted continuation package. There will not be a Personnel Schedule generated by OSBM. Salaries will be based on the 1998-99 authorized salary amount plus any necessary annualizations.
- Salary Reserve, which is included in the authorized salary amount, will be retained as part of the authorized salary amounts.
- Inflationary increases for the state's share of locally-operated programs (Jordan-Adams) will not be included in the continuation budget. Increases may be requested through the expansion budget.
- A preliminary expansion request is no longer required.

- Any expansion request related to information technology must also be reflected in the agencies' Information Technology Plan as submitted to the Information Resource Management Commission through the Department of Commerce/Information Resource Management section.
- The Licensed Motor Vehicle Purchase Schedule (Attachment 8) is no longer required as documentation for increases in motor vehicles over the authorized level unless the amount of funds requested for 1999-01 in columns 7 and 9 of the Worksheet I exceeds the "recurring" amount authorized for 1998-99.
- Each expansion request which requires additional vehicles from the state motor pool must indicate the number of additional cars required to support the request. If the request requires additional resources from another agency, the details of those requirements should be included in the narrative.
- Agencies will develop their *requested budget* on the Worksheet I based on the following instructions. OSBM analysts, will review the requested continuation budget (Worksheet I) as submitted by the agency and will negotiate any changes with agencies to arrive at the Governor's recommended budget.
- Agencies will be required to submit a Six-Year Capital Improvement Needs Schedule. The schedule must be in two parts: 1) repairs and renovations, and 2) land acquisition and new construction. All projects should be included in the schedule, regardless of source of funds. Also, agencies should document criteria used to evaluate their needs. Suggested criteria are included in Section 8, Capital Improvements Instructions.
- Agencies will be required to submit 4 copies of the attachment forms presented in the instructions rather than submitting 6 copies as required in the past.
- Each expansion request which requires additional resources from another agency must indicate the agency requiring the resources and the amount of additional resources required.
- All of the blank attachment forms presented in these instructions are available as spreadsheet files in both Excel and Lotus 1-2-3 formats. The files can be downloaded over the Internet via the World Wide Web at <http://www.osbm.state.nc.us/instructions/>. The files are also available on floppy disk. Contact your budget analyst if you desire such a disk.

3. Schedule for the 1999-2001 Budget Preparation Process

April 1998	Detailed 1999-2001 planning and budget instructions mailed from the Office of State Budget and Management (OSBM) and State Planning (OSPL) to departments.
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April 15, 1998	OSPL information packets sent to departments.
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June 8, 1998	List of Organizational Entities reviewed, revised, and returned by agencies to OSPL.
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Departmental Description (Mission Statement, Goals, and Priorities) form due from departments to OSPL.

Organizational Unit Description forms due from departments to OSPL.

Current Operations Charts due from departments to OSPL.

June 30, 1998	All actions to realign or use salary reserve must be authorized, approved, and posted to the Salary Control System.
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July 1998	1998 Legislative Session budgetary actions certified by OSBM and the Budget Preparation System (BPS) updated.
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1998-99 budget revisions plus other changes submitted by departments are entered into BPS.

BPS transferred to the North Carolina Accounting System, including 1998-99 budget revisions and 1998 Legislative Session's actions.

July 15, 1998	Measures Turnaround Documents sent from OSPL to agencies.
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August 10, 1998	<p>Reconciliation of Position Counts and Budgeted Salaries generated from BPS and distributed by OSBM to agencies for review. (See Sample Attachment 10)</p> <p>Preliminary Worksheet I for continuation budget created in BPS and distributed by OSBM to departments.</p>
August 21, 1998	<p>Department Trends and Implications due from departments to OSPL.</p> <p>Performance Agreements for Organizational Units (1999-2001 Objectives; Key Performance Measures; Targets) due from departments to OSPL.</p> <p>Measures Turnaround Documents for planning and budget returned from agencies to OSPL.</p>
September 9, 1998	<p>Agency submits requested continuation budget on Worksheet I to OSBM for review.</p> <p>Reconciliation of Position Counts and Budgeted Salaries verified by departments and submitted to OSBM.</p>
September 30, 1998	<p>1999-2001 expansion and capital requests due from agencies to OSBM.</p> <p>Action Plans due from departments to OSBM. Action Plans should be attached to expansion requests (Worksheet IIs).</p>
October 7, 1998	<p>Analyst completes recommended continuation budget on Worksheet I.</p>
October 16, 1998	<p>Survey of Fees due from agencies to OSBM.</p>
December 1998	<p>Governor finalizes the 1999-01 budget recommendations.</p>
January 1999	<p>General Assembly convenes.</p>

4. PERFORMANCE PLANNING

4.1 Overview

- The planning instructions assume that there are a number of reasons for agencies to plan as a normal part of good management practice. The purpose of the formal documentation requested is much more focused: It provides a framework for accountability. It is a venue for an agency to explain to stakeholders what it intends to do and what it expects to accomplish. As such, the plan submitted to the Governor, as Director of the Budget, and to the General Assembly is a proposed agreement.
- The formal planning requirements for FY 1999-2001 have been streamlined.
- The planning instructions for this cycle make a firm commitment to establish, and maintain over time, standard definitions, formats and reporting requirements.
- Information documenting agency activities which continue unchanged from one biennium to the next will be created once and carried forward until some change in operations, policy or funding warrant a change in documentation.
- More attention will be given to representing the objectives, operations and strategies of organizational entities with summary reference to Performance Planning Budget (P/PB) categories. P/PB will provide one “view” along with the more traditional organizational view for reporting and analyzing performance and policy outcomes.
- For the first time, agencies are asked to specify in the plan certain key performance measures and to establish target values which they intend to achieve in each year of the biennium. The setting of performance targets is required by the Executive Budget Act, G.S. 143-10.5(e)(3). While program statistics printed in the recommended budget in the past have included projections of “expected” values, there is a difference between “expected” and “target”. The difference is that a target is explicitly selected by the agency as a meaningful measure of its ability and commitment to achieve the objective specified by the target. Only selected measures will have targets in place of expected values. These targets are the “bottom line” to an agency’s performance agreement.
- An Action Plan must be prepared for each of the agency’s top ten priority expansion items. It is a venue for more detailed statements of need, proposed action and expected effects. An Action Plan must accompany each OSBM Worksheet II.
- Operations Plans will be presented in summary form as a narrative integral to the format of the printed North Carolina state budget for 1999-2001.

- The full body of planning documentation will be presented in electronic form accessible on the Web, first by OSPL/OSBM, then agencies.
- The electronic form of the plan will continue to be modified over time by the agency to reflect legislative action with respect to both policy and budgets. With these periodic revisions, the plan becomes the framework for managing and reporting performance and program outcomes.
- All forms except the Action Plan and the List of Organizational Entities are to be completed and returned in electronic format, using Microsoft Word. If you do not have Microsoft Word, contact your planning analyst in OSPL.

4.2 Department List of Organizational Entities - review/confirm

(Department level)

In the Fall of 1997, the Office of State Planning (OSPL) surveyed departments and agencies regarding their organizational structure. The List of Organizational Entities printout describes the component parts of your organization as reported to OSPL. Review the List of Organizational Entities to make sure the names are official, that each is an organizational entity in your department, and that lower level entities are included within the proper higher level ones (excluding boards and commissions, which can be either subsidiary or advisory). The entities listed should cover 100% of employees in the department.

A List of Organizational Entities printout will be provided to departments in an information packet by April 15, 1998. (An example of the List of Organizational Entities form is shown at the end of this section.) Agencies should immediately report any changes in organizational names or hierarchy to their planning analyst in OSPL. A revised list will be sent to agencies by OSPL no later than three days after notification.

The List of Organizational Entities will serve as a management tool and reference document throughout the remainder of the planning and budget instructions. The organizational identification numbers shown on this list will be associated with each form required. In the end, all plans, budgets, objectives and measures will be associated with the responsible organizational entities.

4.3 Designation/Distribution Process

(Department level - The following process is recommended by OSPL)

The purpose of this section is to designate organizational entities responsible for achieving the department's objectives and outcomes and to distribute the forms and resource materials needed to complete the planning database.

Preliminary identification of some of the responsible organizational entities may have been made, based on information from previous planning processes. For these organizational entities, a draft Organizational Description form and draft Current Operations Chart(s) (COC) have been prepared by OSPL.

Begin this designation process by confirming that the organizational entities named on the prepared drafts are the correct ones for the objectives listed on the COC(s). If the organizational entity was correctly identified for the objectives and operations described, go to the List of Organizational Entities form and place an “x” under the “COC” column and “Org Description.” If an Organizational Entity/COC has an objective assigned to it incorrectly, move the objective to the appropriate COC. If one or more of the department’s current objectives is missing from a COC, add as appropriate. Repeat this process for each draft Organizational Description and COC provided for your department.

NOTE: There will be an opportunity later, in the planning process, to revise objectives and add new ones for 1999-2001.

The COC(s) should represent all of the department’s activities, either describing each organizational entity directly, or describing the parent organization, making sure that the activities of each sub-unit are included. Likewise, each of the department’s objectives should be linked to at least one COC.

Check the List of Organizational Entities form (an example is shown at the end of this section) to determine whether there are organizational entities whose activities are **not** covered by one of the current COC’s. For each entity not covered, provide a blank COC, and indicate with an (x) on the List of Organizational Entities that the organizational entity has now been identified.

By April 30, 1998, distribute the following materials to those organizational entities directly responsible for objectives and targets:

- List of Organizational Entities (See Information Packet)
- Organizational Description form (See Information Packet)
- Current Operations Chart (See Information Packet)
- Copy of Planning and Budget Instructions, Sections 4.4 and 4.5 (See Information Packet)

For all other intermediate level organizational entities, distribute the following materials:

- List of Organizational Entities (See Information Packet)
- Organizational Description form (See Information Packet)
- Copy of Planning and Budget Instructions, Sections 4.4 (See Information Packet)

4.4 Organizational Description Form

(Below department level—organizational entities designated under Section 4.3 and other organizational entities between that entity and the department)

The purpose of this form is to record the Mission Statement of each organizational entity below the department level, down to and including the organizational entities directly responsible for each of the department's specified objectives and key performance measures and targets.

For some organizational units, the form may already have been partially completed by the appropriate planning analyst in OSPL.

To complete the form, organizations should:

1. Record/confirm the name of the organizational unit designated in Section 4.3.
2. Record/confirm the identification number that matches the unit named. (Refer to the List of Organizational Entities printout.)
3. Record/confirm the organizational unit's mission statement.

Send to OSPL planning analyst by June 8, 1998.

4.5 Current Operations Chart (COC) - review/complete

(Below department level—organizational entities designated under Section 4.3)

The purpose of the Current Operations Chart (COC) is to describe agency operations, depicting the work processes performed and the outputs and outcomes accomplished. The chart also associates measures with the outputs and outcomes they represent. Measures associated with an agency's mission, but not directly related to operations, outputs, or outcomes may also be identified under "other measures" near the end of the table. Later in the planning process, organizational entities will identify some of these as key performance measures with targets for tracking accomplishment of their objectives.

An electronic version of the COC's will be made available to organizational entities in Microsoft Word format. The COC's for some entities may already be partially completed with information previously collected. This is especially true for agencies who had objectives in the 1997-99 Department Operations Plan and in volume 7 of the budget. These agencies should review and add information as needed to represent their activities accurately and comprehensively. All other organizational entities designated by department heads as directly responsible for objectives will need to complete COC's describing their objectives, operations, outputs and outcomes. The following tasks describe how to complete the Current Operations Chart. Complete the left side of the table first, following the sequence noted below.

Procedure:

Begin by providing the following information:

- Confirm/record the correct name of the organizational entity whose operations are represented on the COC. (See List of Organizational Entities in the Information Packet.)
- Confirm/record the identification number that matches your organization's name. (See List of Organizational Entities in the Information Packet.)
- Within an organizational entity, confirm/record COC numbers sequentially in the requested format—COC (#) of (#). (See COC Development Hints in the Information Packet, or call your planning analyst, for assistance in deciding whether to use one or more COC charts.)
- Confirm/record the P/PB number by referring to the List of the P/PB Objectives. The first four digits of the objective number is the P/PB number.
- Provide a contact name and the telephone number of the person who can answer questions about the COC description.

Then proceed with completing the remaining parts of the COC:

1. If objectives are listed on the COC, verify that they are the correct ones for the COC and for your organizational unit. If the objectives are not correctly assigned, either to the COC or to your organizational unit, notify your departmental planning liaison to have the objective(s) moved. Any revisions to your 1997-99 objectives may be recorded here.

NOTE: 1999-2001 objectives will be written or revised in Section 4.8, during the planning process. Specific targets and target dates will be dropped from the objective statements, but may continue to exist in the key performance measures. Targets and target dates will be reflected in the expected values estimated for out years in the Measures Turnaround Document. The new generic wording of objectives will permit some objectives to be rolled up under a more generic title, and multiple measures will be allowed for each objective.

If objectives are not listed on the COC, provide them and complete the rest of the information for your organizational unit. Objectives previously omitted due to PPB classification problems should also be included.

2. Confirm/record your agency's operations. These are the main business processes, the logically and operationally related activities which lead to the outputs and outcomes for which the agency is responsible. Operations may take place at the state-level or may be functions at regional or local offices which have policy and oversight responsibilities. Operations should be named in the logical sequence in which they occur and should reflect all of what the organizational unit does. Some possible sources of information include your agency's measures (a List of Measures will be supplied in the Information Packet), budget fund descriptions, earlier department plans, and volume 7 of the 1997-99 budget document.
 3. Confirm/record your agency's outputs. On the Current Operations Chart, the outputs named should correspond to the operations named in the above table. Outputs represent the products and services *completed* by the agency's operations and are intended to lead to a desired benefit or change for participants or target populations. There may be one output or a series of outputs for the operations named. Agency measures often reflect the outputs produced and services completed. Possible sources for identifying outputs include your agency's Measures Turnaround Document printout, budget fund descriptions, earlier department plans, and volume 7 of the 1997-99 budget document.
 4. Record/confirm the expected outcome or stream of outcomes for each Current Operations Chart. Outcomes identify what is supposed to change as a result of the program, and may occur in steps or stages along a continuum from immediate to intermediate to end outcomes. Immediate and intermediate outcomes usually occur earlier on the continuum and are likely to provide more timely feedback to managers and be under "considerable" influence of program operations. End outcomes usually occur later in the sequence of changes, are likely to be under only "partial" or "little" influence by the program, and provide an opportunity for assessing the long-term gains. End outcomes usually reflect the "public good" for which the program exists. Just because other forces may affect an outcome does not mean it should be excluded from a program's operations chart, so long as the outcome is within the realm of the program's purpose and not beyond the scope of the target group who would benefit.
- 5/6. List the budget codes and fund codes that support this COC.
7. Confirm/record the correct P/PB Objective Number for each objective included on the COC. See List of P/PB Objectives in the Information Packet. (The first four digits of the objective number indicates the P/PB classification.) In the unlikely event that more than one P/PB classification is represented, a COC may need to be divided. See COC Development Hints in the Information Packet, or call your planning analyst, for assistance in deciding whether to use one or more COC charts.

8. Beside each output, write the identification number of the associated measure(s). Associated measures represent either the output named or the operation that produced the output. The operations and output measures identified may reflect either workload, demand or need, quality, or efficiency. Output measures may also reflect breakouts by geographic regions, target groups or client characteristics. If no appropriate measure is currently found on the List of Measures printout, leave the measure cell(s) blank or, preferably, indicate that a new measure needs to be added to the Measures Turnaround Document.
9. Beside each outcome, write the identification number of the associated measure(s). An outcome measure is a measure of program effectiveness. As with outputs (see #8 above) identify the associated measure(s) by referring to the List of Measures printout for your organizational unit and identifying the measures which represent the outcome named. Outcome measures may be P/PB outcome measures or breakouts of outcome measures by geographic region, client characteristics, target groups, etc. If no appropriate measure is currently found on the List of Measures printout, leave the measure cell(s) blank or, preferably, indicate that a new measure needs to be added to the Measures Turnaround Document.
10. When finished with classifying measures, any measures that have not been clearly associated with the outputs or outcomes named on the Current Operations Chart should be identified under "Other Measures not classified above" near the end of the form.

Completed Current Operations Charts should be returned to the Office of State Planning by June 8, 1998.

4.6 Department Mission, Goals, Priorities - describe

(Department level)

The purpose of the Organizational Description at the department level is to describe the role and responsibilities that the department has in serving the public trust.

On the Organizational Description form:

1. Revise/complete the department's mission, goals and priorities (if different from the goals).
2. Record/confirm the name of the department.
3. Record/confirm the department's identification number. (Refer to the List of Organizational Entities printout in your Information Packet.)

The department Organizational Description form is due to OSPL by June 8, 1998.

4.7 Trends and Implications - Strategic Scan

(Department level)

The purpose of the Strategic Scan is to identify issues which have implications for agency performance and for which action needs to be taken. The scan should describe relevant social, economic, and political trends and their implications for the organization's policies and performance. Any recently completed scans may be used. This information needs to be made available to managers as a context for the planning process (see Sections 4.8 through 4.10).

Results of the scan should be documented for the Department Plan on the Trends and Implications form. (See OSPL Example Form 4 at the end of this section.) An electronic version of the form will be made available in Microsoft Word format.

During the Strategic Scan process, departments may identify issues for possible expansion budget requests. A copy of these issues should be provided to managers responsible for developing Action Plans. Action Plans will need to be attached as supporting documentation for Worksheet IIs. (See Section 4.9)

Send a copy of the department's Trends and Implications to your OSPL planning analyst by August 21, 1998.

4.8 Performance Agreement—1999-2001 Objectives (Continuation Budget)

(Below department level—organizational entities who write COC's)

The purpose of this section is for the organizational entities who prepared COC's to begin developing the performance agreement for the 1999-2001 biennium. The first task is to write 1999-2001 objectives that comprehensively represent the organizational entities' operations. These objectives should be written within the framework of the continuation budget.

On the Performance Agreement—1999-2001 Objectives form:

1. Record/confirm the name of your organizational entity.
2. Obtain/confirm the identification number that matches the entity name. This can be done by referring to your List of Organizational Entities.
3. List the budget codes and funds which support your organizational entity.
4. Refer to your organizational unit's Current Operations Chart(s) and review your current objectives and outcome measures. Confirm their continued relevance and accuracy in representing your organizational entity.

Be sure your 1999-2001 objectives cover all your operations within the framework of your continuation budget. Do not include objectives which are based solely on expansion.

5. Revise objectives for the 1999-2001 biennium. The following rules apply regarding acceptable changes to objectives:
 - Targets and target dates can be dropped from the wording of objectives.
 - Multiple objectives may be rolled up into fewer, more generalized statements of objectives.
 - Multiple measures may be shown for each objective (see Section 4.10).
6. Write objectives on separate rows. For each objective, enter the appropriate Current Operations Chart (COC) identification number.

The Performance Agreement - 1999-2001 Objectives form is due to OSPL by August 21, 1998.

4.9. Performance Agreement—Key Performance Measures and Targets

(Below department level—organizational entities who write COC's)

The purpose of this section is for organizational entities to complete their Performance Agreement by identifying key performance measures and setting performance targets for which they will be held accountable. At a minimum, each objective identified on the Performance Agreement—1999-2001 Objectives should have at least one outcome measure designated as a key performance measure. Outcome measures may correspond to your PPB outcome measures. Output measures for which the agency is willing to set performance targets and which are significantly related to achieving agency objective(s) may also be designated.

Key performance measures and targets will provide the focus for subsequent performance reports to the General Assembly as required by G.S. 143-10.5(e)(3).

Record/confirm the name of the organizational entity, then refer to the List of Organizational Entities printout (see Information Packet) to obtain the identification number that matches the unit named. List the budget codes and funds which support these objectives.

The Performance Agreement - Key Performance Measures and Targets form is due to OSPL by August 21, 1998.

4.10 Action Plans

(Below department level—organizational entities designated by the department to develop expansion budget requests)

The purpose of the Action Plan is to describe issues which have implications for agency performance and to describe proposed changes in operations for which expansion budgets will be requested. They will be due as attachments to Worksheet II's on September 30, 1998.

Action Plans are only developed for the department's top ten expansion budget priority items and are prepared by the organizational entity designated by the department. Trends and Implications written at the department level provide a backdrop for an Action Plan.

Each Action Plan references a specific COC. It may serve as an internal working document within the department and may go through several iterations throughout the decision making process. The final form of the Action Plan becomes an attachment to the Worksheet II and should clearly support Worksheet II expansion requests. One Worksheet II may be supported by multiple Action Plans.

Agencies will be given an opportunity to update their Current Operations Chart(s) and measures to show how budget decisions and policy changes affect operations and outputs.

Action Plans are due to OSBM as attachments to Worksheet II's on September 30, 1998 (see Section 6, Expansion Budget Instructions).

4.11 Measures Turnaround Document - update

(Below department level—organizational entities who write COC's)

Update measures for fiscal year 1998-99. Record the 1999-2001 targets set for key performance measures in Section 4.9, and estimate expected values for all other measures in the Measures Turnaround Document. The Measures Turnaround Document will be sent to agencies in July. At that time, instructions for adding or revising measures will be provided. All data are due back to OSPL by August 21, 1998. The wording of measures on the Measures Turnaround Document will need to agree exactly with wording on the Performance Agreement—Key Performance Measures and Targets form. Any differences will need to be reconciled.

(See Section 4.2 of Planning Instructions)

Department of

ID NO.	Organizational Entity	COC	Org. Dscript.

Phone:

Organizational Description

(See Section 4.4 of Planning Instructions)

Instructions: Complete an Organizational Description for each department, each organizational unit for which a Current Operations Chart (COC) is prepared, and each organizational unit in the hierarchy between the department and the COC organizations. Complete the Goals and Priorities sections for a department only; leave them blank for any other organizational level. Add rows in tables by using tab key in last cell of last row. Ignore the “|” symbols (but do not delete them). Edit information already in the tables as needed. Do not use bold, italics or underlining in the tables.

ORG. UNIT NAME 		
ORG UNIT ID NUMBER:		

MISSION|

--	--

GOALS (Complete for the department level only. Put only one goal per cell.)/

PRIORITIES (Complete for the department level only. Put only one priority per cell.)/

(See Section 4.5 of Planning Instructions)

ORG. UNIT NAME:										P/PB PROG. NO.:									
ORG. UNIT ID NUMBER:										CONTACT PERSON:									
COC NUMBER: (e.g., "1 of 1" or "2 of 3")										CONTACT PHONE:									

1. CURRENT P/PB OBJECTIVE(S) <i>State objectives that apply to this COC.</i> Use one cell for each different objective.	7. P/PB OBJECTIVE NO. Match by line with cells to left in Table 1.

<p>2. OPERATIONS Describe your main business processes – the logically and operationally related activities which lead to the outputs and outcomes for which your agency is responsible. These are the “things” you do to support achievement of the objective(s) above. Show in logical sequence, if appropriate. Use one cell for each different operation.</p>	

3. OUTPUTS Describe those products and services completed by your operations which are intended to lead to a desired benefit or change for participants or target populations and which are critical to success in achieving the objectives listed above. Use one cell for each different output.	8. MEASURE(S) List no. for each directly related measure. Separate by comma and space. Match by line with cells to left in Table 3.

4. OUTCOMES Describe what is supposed to change as a result of your program. Outcomes may occur in steps or stages along a continuum from immediate to intermediate to end outcomes. List those outcomes that are critical to success in achieving the organization's objectives. Use one cell for each different outcome.	9. MEASURE(S) List no. for each directly related measure. Separate by comma and space. Match by line with cells to left in Table 4.

	10. OTHER MEASURES not classified above. <i>List no. for each related measure. Separate by comma and space</i>	

5. BUDGET CODE		6. FUND CODE	

Trends and Implications

From Departmental Strategic Scan

(Departmental level only)

Organizational Unit Name:		
Organizational Unit ID Number:		

(See Section 4.7 of Planning Instructions)

Instructions: The “Trends and Implications” form documents the results of a departmental scan of social, economic, and political issues which have implications for agency operations. Limit the description to three pages. If you have graphics, contact your planning analyst in the Office of State Planning for additional instructions. Particular organizational units whose operations or outcomes are effected by the trends described should be identified. (Notify respective organizational units of issues for which “Action Plans” need to be developed for expansion budget requests. Instructions for developing “Action Plans” are in Section 4.10 of the Budget Instructions.) Provide one description of trends and implications to OSPL. Circulate a copy to organizational units for use in the planning process. Do not use bold, italics or underlining.

Performance Agreement – 1999-2001 Objectives (Continuation Budget)*(See Section 4.8 of Instructions)*

Instructions: One Performance Agreement should be developed for each organizational unit designated by the department in Section 4.3 as responsible for objectives and outcomes. Add rows in tables by using tab key in last cell of last row. Ignore the “|” symbols (but do not delete them). Do not use bold, italics or underlining in the tables.

ORGANIZATIONAL UNIT NAME			
ORGANIZATIONAL UNIT ID NUMBER			
BUDGET CODE		FUND CODE	

Review all your current objectives and associated outcome measures on the Current Operations Chart in preparation for writing 1999-2001 objectives. To develop 1999-2001 objectives, revise current objectives as appropriate. Drop references to specific targets and target dates from the wording. Multiple objectives may be rolled up into fewer, more generalized statements. Multiple measures will be allowed. List all objectives for the 1999-2001 biennium. Be sure your objectives cover all your operations within the framework of your continuation budget. **Do not include objectives which are based solely on expansion.**

OBJ NO.	1999-2001 OBJECTIVES <i>(Generalized statements of objectives, without targets and date. Use one cell per objective.)</i>	COC ID <i>(Indicate the number of the COC (e.g., “1” if 1 of 3))</i>
1		
2		
3		
4		
5		

Performance Agreement – Key Performance Measures and Targets (Continuation Budget)

(See Section 4.9 of Instructions)

Instructions: One Performance Agreement should be developed for each organizational unit designated by the department as responsible for objectives and outcomes. Add rows in tables by using the tab key in last cell of last row. Ignore the “|” symbols (but do not delete them). Do not use bold, italics or underlining in the tables.

ORGANIZATIONAL UNIT NAME 			
ORGANIZATIONAL UNIT ID NUMBER 			
BUDGET CODE	FUND CODE		

Key Performance Measures should be listed for each objective by the objective number you assigned on your “Performance Agreement - 1999-2001 Objectives.” These will provide the focus for subsequent Performance Reports to the General Assembly as required by G.S. 143-10.5(e)(3). At a minimum, each objective identified should have at least one outcome measure designated as a key performance measure. Output measures significantly related to achieving your objective(s) and for which you are willing to set performance targets may also be designated. Outcome measures may correspond to your P/PB outcomes measures. For each Key Performance Measure listed, copy the measure reference number from the “List of Measures” (see Information Packet). Any new measures should be added to the Measures Turnaround Document (see Section 4.11 of Instructions); any existing measures should be worded exactly the same as in the Measures Turnaround Document. Your Performance Targets should be set within the framework of your continuation budget. Do not set Performance Targets that require expansion budget dollars.

1999-2001 OBJ. NO.	KEY PERFORMANCE MEASURES (Use one cell per measure.)	MEASURE REF NO.	1999- 2000 PERFORMANCE TARGET	2000-2001 PERFORMANCE TARGET

STRATEGIES (Describe the management/implementation strategies that are critical to the achievement of 1999-2001 performance targets.)

--

Organizational Unit Name			
Organizational Unit ID Number			COC ID (e.g., "1 of 2")
BUDGET CODE	FUND CODE		

Need:		
Change to current operations:		
Anticipated outcomes:		
Objective supported by action <i>Identify the objective(s) supported by this proposed action in the cell below. To the right, indicate by “x” in the appropriate column whether this is a new or existing objective</i>	New Objective <i>(Indicate by “x” if this objective was <u>not</u> previously identified on your Performance Agreement - 1999-2001 Objectives)</i>	Existing Objective <i>(Indicate by “x” if this objective was previously identified on your Performance Agreement - 1999-2001 Objectives)</i>

Action Plan (Expansion Budget)
(See Section 4.10 of Instructions)

Organizational Unit Name		Department of Community Colleges/Academic and Student Services	
Organizational Unit ID Number		13	COC ID (e.g., "1 of 2") 3 of 4
BUDGET CODE	FUND CODE		
16800	1600		

Complete Action Plans for selected COCs as instructed by your department. Action Plans are necessary to support your department's top ten expansion budget priorities. Action Plans should be prepared for each COC impacted by a proposed expansion. One Worksheet II may be supported by multiple Action Plans.

<p>Need: Fewer than one-fifth of vocational technical students graduate from the first program they select. While many leave for employment, nearly half change programs or leave because they discover they are not interested in that particular type of work. The resulting waste of resources could be avoided if a match between student interests and aptitudes was determined prior to enrollment. While it is not possible to guarantee accurate first course selections, aptitude and interest testing, and career counseling could reduce attrition due to course selections that are inconsistent with student interests and aptitudes.</p>		
<p>Change to current operations: Presently colleges guard against students entering vocational technical programs for which they have inadequate skills by requiring placement test scores commensurate with the academic demands of the course of study, but community colleges do not have the testing resources or counselors necessary to help students understand their interests, aptitudes, and appropriate careers. The Career Counseling and Testing Program will fund between a half-time and three full-time career counseling positions (based on FTE) for each community college, for a total of 40 counselors. In addition, program receipts will fund the cost of the "McGraw-Hill Career Guidance Program," a set of interest and aptitude tests plus information on careers at which people with a mix of interests and aptitudes most frequently succeed. The proposed program will ensure that the students who were unsure about their career choice will be able to get help before they enroll, or at least before they have spent an inordinately long period in a program which is inconsistent with their aptitudes and interests. It is projected that each counselor will assist 500-700 students per year and test 120 students. Students who are tested will be charged \$10 for the services, the cost of the test battery.</p>		
<p>Anticipated outcomes: The primary anticipated outcome is a reduction in the number of students reporting that they dropped out of a program because the "work is not for them." The secondary benefit is an increase in the proportion of students graduating from vocational and technical programs. With the career counseling and testing program it is projected that by 1999-2000 the percent of students reporting that they left a program because "the work is not for me" will drop from the current 20,000 to under 17,000. The indicator of successful improvement in graduating students will be the increase in the ratio of graduate to FTE enrollment from the present .2 to .25.</p>		
<p>The average FTE cost for a vocational technical program student is \$2,600. A student who takes a year of course work and decides to quit or change programs seldom gains more than a small part of the potential economic benefit of the instruction. Since the average program changer/dropout takes about one year of course before transferring or dropping out, about \$2,600 is spent on that student. Assuming that nearly half of the value is lost, the loss of program transfer/dropout is conservatively about \$1,200. The projected impact of the program is that a decrease of 3,000 program changers/dropouts at \$1,200 would save \$3.6 million.</p>		
<p>Objective supported by action Identify the objective supported by this proposed action in the cell below. To the right, indicate by "x" in the appropriate column whether this is a new or existing objective</p>	<p>New Objective (Indicate by "x" if this objective was <u>not</u> previously identified on your Performance Agreement - 1999-2001 Objectives)</p>	<p>Existing Objective (Indicate by "x" if this objective is one of your Performance Agreement - 1999-2001 Objectives)</p>
85% of students surveyed within one year of leaving a community college program will rate the college's instruction as "good" or better. (7210.01)		X

5. CONTINUATION BUDGET

The continuation budget provides operating funds for each year of the biennium to continue the existing, authorized level of services. Continuation budgets are based on the current year authorized budget and may be adjusted (increased or decreased from the authorized budget) through the continuation budget Worksheet I process to reflect (1) actual levels of expenditures, (2) approved increases, as well as (3) other increases in services required in certain programs.

5.1 Continuation Budget (Worksheet I)

The basic form for preparing the 1999-2001 continuation budget is the *Worksheet I* which will be computer generated from the Budget Preparation System (BPS). OSBM will furnish one hard copy of a complete set of the initial continuation budget worksheets to agencies on August 10, 1998, for each budget code submitted to the General Assembly. Samples of the continuation budget worksheets with attachments are shown, starting on page 35. An initial continuation budget set includes:

- Summary by Purpose (Attachment 2)*
- Summary by Account (Object) (Attachment 3)*
- Detail Request - Worksheet I (Attachment 4)*
- Position Count (Attachment 5)*
- Reconciliation of Requirements, Receipts, and Appropriation (Attachment 6)*

Four copies of the requested 1999-2001 continuation are due into OSBM by September 9, 1998. Submission of the continuation budget should consist of the following reports in the order that they are listed:

- Summary of Total Continuation Budget Requests by Department (Attachment 1)*
- Summary by Purpose (Attachment 2)*
- Summary by Account (Object) (Attachment 3)*
- Detail Request - Worksheet I (Attachment 4)*
- Position Count (Attachment 5)*
- Reconciliation of Requirements, Receipts, and Appropriation (Attachment 6)*
- Equipment Purchase Schedule (Attachment 7) (If necessary)*
- Motor Vehicle Purchase Schedule (Attachment 8) (If necessary)*
- Other Vehicle Purchase Schedule (Attachment 9) (If necessary)*
- Reconciliation of Position Counts and Budgeted Salaries*
(Attachment 10) (Submit only three copies of this schedule)
- Utilities Worksheet (Attachment 11)*
- Format for Building Reserve (Attachment 12)*
- Also provide a brief narrative and calculations of program specific increases/decreases requested in 1999-2001 such as the sample shown in Section 5.1b. Routine inflationary increases allowed in the following instructions do not need to be included.*

OSBM budget analysts will be available to assist departments/agencies in the steps to develop the Worksheet I from the initial stage to the agency continuation budget request.

There is a separate Worksheet I for each budget code that will be submitted to the General Assembly. Each operating fund will reflect the P/PB number to which it is assigned. This P/PB number should also be checked for accuracy. Components of the Worksheet I Detail Request (Attachment 4) are listed below:

- Column 1 (**Account**) reflects the line item *account (object) number*.
- Column 2 (**Titles**) *account (object) title* for expenditure and/or receipt items.
- Column 3 (**Actual**) reflects the 1997-98 *actual* expenditures as of June 30, 1998 and is transferred by OSBM to BPS from the North Carolina Accounting System (NCAS) files in the Office of the State Controller.
- Column 4 (**Certified**) reflects the 1998-99 *certified* budget, which includes actions of both the 1997 and the 1998 sessions of the General Assembly plus budget revisions which change the certified column (type 11 budget revisions of a continuing nature authorized by action of the General Assembly).
- Column 5 (**Authorized**) reflects the 1998-99 *authorized* budget, which is comprised of the certified budget plus appropriate type 11, 12, and 14 revisions. The authorized budget becomes the continuation budget for the next two years of the biennium unless adjusted in Columns 6 and 8, respectively.
See Section 5.1b instructions on budget revisions to include in Column 5.
- Column 6 and Column 8 (**Incr/Decr**) reflect the *increase/decrease* adjustments to the authorized year allowed for the 1999-2000 and 2000-01 continuation budgets respectively.
See Section 5.1b instructions on the Increase/Decrease columns.
- Column 7 and Column 9 (**Total**) are the *agency requested* 1999-2001 biennial budget. These columns represent the total of the 1998-1999 authorized budget (Column 5) plus/minus the adjustments in Columns 6 and 8, respectively.

Procedures

5.1a Reconciliation of Requirements, Receipts, and Appropriation

OSBM will generate from BPS a *Reconciliation of Requirements, Receipts, and Appropriation* report (see Sample Attachment 6). This form provides the data to reconcile requirements, receipts, and appropriation in Column 4 (certified column) and Column 5 (authorized column).

The Reconciliation will be furnished to each department/agency at the same time the Worksheet I is furnished.

5.1b Agency Completion of Worksheet I

Adjustments to the Worksheet I (Attachment 4) are prepared as follows by appropriate agency personnel and submitted to OSBM as the agency requested continuation budget.

Column 1 (**Account**)

- Review to ensure that proper operating funds and account (object) numbers are presented. Contact your OSBM budget analyst for any necessary corrections.

Column 2 (**Titles**)

- Review to ensure correct account titles are presented.

Column 3 (**Actual**)

- Review and verify that the transfer of actual fiscal data was processed properly. Contact your OSBM budget analyst if the data was not processed properly.

Column 4 (**Certified**)

- Reconcile using the Reconciliation (Attachment 6) to ensure that the requirements, receipts, and appropriation are correct. Necessary adjustments should be noted on the Reconciliation and returned with the requested continuation budget package.
- In July, 1998 OSBM will provide a listing of all second year type 11 budget revisions. This list is reviewed by agency personnel and the OSBM budget analyst to determine which budget revisions should be included in the Worksheet I. Appropriate second year (1998-1999) type 11 budget revisions are included in Column 4 and Column 5.
- At the conclusion of the review process, the agency types an "O" for "OMIT" in the appropriate code field of the budget revisions on the Budget Revision System which will *not* become a part of the agency's requested continuation budget. All other budget revisions will become a part of the agency's requested continuation budget.

Column 5 (**Authorized**)

- Reconcile using the Reconciliation form (Attachment 6) to ensure that authorized requirements, receipts, and appropriation are correct. Necessary adjustments should be noted on the form and returned with the agency continuation budget package.
- Agencies are encouraged to realign nonpersonnel expenditure *account* (object) lines 5322XX-535XXX within an operating fund number to reflect more realistic levels of need for 1997-1998 with type 14 budget revisions that will be included in Worksheet I.
- In July, 1998 OSBM will provide a listing of all second year type 12 and 14 budget revisions. This list is reviewed by agency personnel and the OSBM budget analyst to determine which budget revisions should be included in the Worksheet I. Appropriate second year 1998-1999 budget revisions are included in Column 5.
- At the conclusion of the review process, the agency types an "O" for "OMIT" in the code field of the appropriate budget revision on the Budget Revision System which will *not* become a part of the agency's requested continuation budget. All other budget revisions will become a part of the agency's requested continuation budget.

- Budget revisions which authorized a carry-forward from 1997-98 to cover deferred obligations are not to be included and should be removed. These items are reflected only as expenditures in Column 3 (actual year.)
- Type 11 budget revisions included in Column 4 also affect Column 5. Type 12 and 14 budget revisions included in Worksheet I affect only Column 5.
- Agencies must balance inter- and intra-departmental transfers.
- Programs designated as "experimental, model, or pilot" must be shown either as separate items in the continuation budget or as expansion budget requests until a succeeding General Assembly approves them. The definition includes "any new program funded in whole or in part through a special appropriations bill." Agencies with programs designated as experimental, model, or pilot must furnish a list with line item detail and a P/PB breakdown (if applicable) of these programs with continuation budget or expansion budget requests.

Columns 6 and 8 (**Increase/Decrease** from Column 5)

- In Column 6, enter allowable increases and decreases over the authorized (or "base") year which, when added to or subtracted from the authorized 1998-99 amount, accurately reflect requirements for the 1999-2000 agency requested budget.
- In Column 8, enter allowable increases and decreases over the authorized (or "base") year which, when added to or subtracted from the authorized 1998-99 amount, accurately reflect requirements for the 2000-01 agency requested budget.
- Increases or decreases requested in Columns 6 and 8 must be explained on an attachment which indicates the receipt or expenditure account (object) to be adjusted and the reason for the change. Routine inflationary increases allowed in the following instructions do not need to be included. Where more than one change is requested for one particular account (object), show the components of the change in the explanation. A form is not provided for this submission. The following provides the basic format.

Fund 1250 Maternal and Child Health

Account	1999-2000	2000-01
<u>Expenditures</u> 533210	<u>Janitorial Supplies</u> Increase \$800 to annualize amount authorized for six months in authorized column.	Increase \$800 to annualize amount authorized for six months in authorized column.
<u>Revenues</u> 5388AA	<u>Federal Funds</u> Increase \$650 receipts adjusted according to the current federal participation rate of 50% in this program's activities.	Increase \$1,000 receipts adjusted according to the current federal participation rate of 50% in this program's activities.

5.1c Changes Allowed in Worksheet I Columns (6) and (8):

In addition to allowable increases included in Section 7 of the instructions, the following cost increases/decreases will apply:

- (1) **Enrollment or Populations Served** - Increases to reflect changes in the enrollment or population currently served by public schools, prisons, and entitlement programs are allowed. In other programs such increases must be requested in the expansion budget. Decreases to reflect reductions in enrollment or populations served in any program area should be included in the continuation budget.
- (2) **Receipt-Supported Activities** - Cost increases for activities partially or fully supported from receipts must be limited to reasonable increases in receipts and calculated such that these activities bear the appropriate share of the increased cost.

If an adjustment to general agency receipts provides additional funds, those funds may be used only to support allowable continuation budget increases. Otherwise, these additional receipts are to reduce state appropriations. *All general agency receipts should be increased to anticipated levels in 1999-2001 and appropriations reduced when appropriate.*

Note: Changes in expenditure account (object) supported by receipts require a corresponding change in the appropriate receipt account (object).

If an adjustment reflects a decrease in receipts, the budget of the program generating the receipts must be reduced. Replacement of reduced receipts must be an expansion budget request.

Note: Increases in receipts to continue the current level of services are allowed in the continuation budget for programs which are 100% receipt-supported. These adjustments should be made in the authorized year with a type 11 or 12 budget revision.

- (3) **Utilities** (fuel oil, natural gas, electricity, telephone, water, and sewer) - Increases in continuation requirements are allowed for these items, on a case-by-case basis, provided the agency can sufficiently document the increase. A spreadsheet similar to Attachment 11 may be used to document utility usage and rate increases. Volume requirements will be based on a three-year average of actual usage for state fiscal years 1995-96, 1996-97, and 1997-98. Rate increases are then applied in order to arrive at total utilities requirements for 1999-2001. In cases where a portion of the utilities increase is supported by receipts, these receipts must be increased to ensure that this account (object) bears the appropriate share of increased costs. Purchase of utilities by one agency from another agency should reflect corresponding increases in requirements and receipts between the agencies.

- (4) **Clothing, Textbooks and Educational Supplies (K-12 schools, including Department of Health and Human Services schools and the N.C. School of Science and Mathematics)** - Increases in continuation requirements are allowed for these items, on a case-by-case basis, provided the agency can sufficiently document the increase. Prior years' actual expenditures and adjustments to 1998-99 budgets made in the 1997 and 1998 legislative sessions should be taken into account in developing continuation requirements. In cases where a portion of the increase is supported by receipts, these receipts should be increased to ensure that the account (object) bears the appropriate share of increased costs.
- (5) **Food, Drugs, Gasoline and Diesel Motor Vehicle Fuel, and Medical Supplies** - Increases in continuation requirements are allowed for these items based on inflationary rates. Prior years' actual expenditures and adjustments to 1998-99 budgets made in the 1997 and 1998 legislative sessions should be taken into account in developing continuation requirements. In cases where a portion of the increase is supported by receipts, these receipts should be increased to ensure that the account (object) bears the appropriate share of increased costs.
- (6) **Personnel-Related Items** - Funds required for longevity pay should be based on the actual expenditures for 1997-98. Funds for premium pay, workers' compensation, unemployment compensation, and overtime should be based on the authorized budget. Additional funds may be considered for increases on an individual basis.
- (7) **Annualization** - Increases to annualize support in the 1999-2001 biennium for programs and new facilities which were funded for only a portion of 1998-99 are allowed. Positions that continue and were funded for only a portion payable amount in the authorized year should be annualized for 1999-2001. Attach a detailed listing of the request to annualize programs. Attach a spreadsheet similar to Attachment 12 to annualize building reserves.
- (8) **Nonrecurring** - Nonrecurring or one-time items approved by the General Assembly should be removed from the continuation budget in the increase/decrease columns, including one-time equipment purchases included in the 1998-99 Authorized Budget. Agencies should contact their OSBM budget analyst if there are any questions about removal of one-time items.
- (9) **Operating Reserves** - Operating costs to make facilities operational and functional are allowed for authorized capital projects scheduled for completion during the 1999-2001 biennium (see Section 8, Capital Budget) in the continuation budget. Any new programs, activities, or expansion of existing programs and activities associated with capital projects should be a part of the Expansion Budget Request. The total estimated operating costs for each year must be requested in a reserve account (object). A detailed account (object) breakdown of each reserve must be submitted separately, with the estimated completion date of the facility provided by the Office of State Construction, number of positions required, proposed classification of each position, and other operating costs. A sample schedule for this required detail breakdown is Attachment 12.

(10) **Replacement of Existing Equipment - Purchase or Installment Payments**
(Attachment 7)

An equipment schedule will be required only when the request is greater than the amount of the recurring authorized budget (see number 8). Increased funding for items such as office equipment (fax machines, copiers, etc.), furniture, and computers will not be considered in the continuation budget.

(11) **Vehicle Replacement** (Attachment 8)

- (a) **Licensed Motor Vehicles** - Replacement of departmentally owned motor vehicles which are licensed will be allowed in the continuation budget. This replacement includes cars, vans, trucks, jeeps, ambulances, buses, etc.

Additions to the fleet will be requested in the expansion budget. Purchase and trade-in amounts for replacement vehicles are determined by each department/agency based on the particular type of vehicle and accessories. The total purchase price of vehicles must be included in the appropriate line item. The estimated sales proceeds for the used vehicle must be budgeted as sale of surplus property receipts. Motor vehicles other than those used by law enforcement officers will be scheduled for replacement at the time they are expected to have 100,000 miles. Requested replacement of vehicles with less than 100,000 miles must have sufficient written justification. Motor vehicles used by law enforcement officers should be scheduled for replacements as follows: Highway Patrol - 70,000; Division of Motor Vehicle - 70,000; and All Other law enforcement - 80,000 miles. Funds that were approved in the last biennium for replacement motor vehicles and included in the authorized (1998-99) year should be removed from the continuation budget if no new motor vehicles are requested in the continuation budget. Replacement schedules should be submitted only when there is an increase over the recurring authorized budget (see number 8).

- (b) **Other Vehicles** (Attachment 9) - Other vehicles which are replaced on an irregular basis, such as farm tractors, combines, crawler tractors, drag lines, front-end loaders, back-hoes and lawn mower type equipment, may be replaced in the continuation budget. The age, year purchased, mechanical condition, and annual repair/maintenance cost will be prime factors in OSBM's consideration of these requests for inclusion in the continuation budget. Equipment requested to be replaced must be for the continuance of the existing programs or services and must not be to expand the capabilities of the facility. Replacement schedules for *other vehicles* should be submitted only when there is an increase over the recurring authorized budget (see number 8).

- (12) **Statutorily Established Salary Increases** - Salary increases required by General Statute for specified position classifications, such as magistrates, clerks of court, and the Highway Patrol will be included in the requested continuation budget.
- (13) **Inflationary Increases for Locally-operated Programs (Jordan-Adams)** - Increases will not be included in the continuation budget for this item; the documented increase may be requested in the expansion budget.

Note: The allowable increases are in Section 7.

Note: Increases for all other items must be requested in the expansion budget.

5.2 Budgeting Salaries On Worksheet I

The requested salary-related amounts reflected in Columns 7 and 9 will be based on the authorized budget for 1998-99 plus any necessary annualization of positions. The annualization includes positions established after July 1, 1998. This would include, for instance, new positions authorized by the 1998 Session of the General Assembly or positions included in authorized building reserves. Positions which are scheduled to be abolished with an effective date after July 1, 1998 should also be annualized.

OSBM will generate reports which show positions authorized by the General Assembly or by BD606 during the current biennium as well as time limited positions shown in Personnel Management Information System (PMIS). These reports will be distributed with the initial Worksheet I to assist in identifying positions which should be annualized. Any position established after July 1, 1998 or terminating before June 30, 1999 will require an adjustment to the authorized budgeted amount shown in column 5.

Example: A new position is authorized by the General Assembly effective 10/1/98 at an annual salary of \$47,679. The budget for 1998-99 includes \$35,760 for the position for nine months. The difference between the annual salary of \$47,679 and the nine month (portion payable) salary of \$35,760 is \$11,919. The amount of \$11,919 is the allowable increase for Columns 6 and 8 of the Worksheet I. *Note:* The employer match for both Social Security and Retirement would reflect increases to match the salary increase as well as an annualization of the employer's share of health benefits.

The Personnel Schedule, available through the Personnel Management Information System (PMIS), will not be submitted to OSBM as documentation of the continuation budget as in the past. Agencies continue to be responsible for maintaining accurate and current PMIS data. Salaries reflected in PMIS should not exceed the authorized budget plus annualization of positions. If total salaries in PMIS exceed the authorized budget plus annualization of positions, appropriate personnel actions should be taken to adjust PMIS by June 30.

Note: Legislative salary increases authorized for 1998-99 by the 1998 Session of the General Assembly will not be reflected in the authorized budget for 1998-99 to allow for a more timely distribution of the Worksheet I to agencies.

5.2a Reconciliation of Position Counts and Budgeted Salaries (Attachment 10)

OSBM will generate from BPS a Reconciliation of Position Counts and Budgeted Salaries (See Attachment 10). The schedule's beginning figure starts with the 1998-99 certified budget and adds or deletes all approved budget revisions and posted entries that affect personnel transactions and budgeted salary amounts. The verification and correction of all errors on this report must be submitted to OSBM by September 9, 1998. Two (2) copies of the Reconciliation of Position Counts and Budgeted Salaries will be distributed from OSBM to agencies by August 10, 1998.

A BPS report on current authorized positions and salaries will be provided by OSBM at any time in the year and may be used by both agencies and OSBM to monitor the accuracy of entries made via the budget revision (BD 606) process. This is the same data base which acts as the source for the Reconciliation of Position Counts and Budget Salaries report to be distributed August 10, 1998 and can assist agencies and OSBM analysts in preliminary verification of this data.

5.2b Realign Salary Reserve

It is essential that the Salary Control System (SCS) in OSBM reflect correct position and salary information by June 30, 1998. Prior to June 30, agencies are to submit budget revisions (BD 606) to OSBM to align salary reserve to accurately reflect the annual salary requirements in each operating fund and to eliminate any negative amounts that exist. It may be necessary to reduce or abolish positions in some instances to eliminate negative salary reserve amounts. Agencies will be allowed to retain positive salary reserve amounts in the continuation budgets. Any salary reserve will be reflected in the authorized salary amount plus annualization which will be the basis for the recommended amounts in column 6 and 8 of the Worksheet I.

5.2c Fringe Benefits

The requested fringe benefits amounts shown in Column 6 and 8 of the Worksheet I will be based on the amount of funds requested for the salary line items for 1999-00 and 2000-01 respectively.

The fringe benefits rates are as follows:

- Social Security 7.65%
- Teachers and State Employees Retirement rate 10.83%
- State Law Enforcement Officers Retirement rate 15.83%
- University Employees Optional Retirement rate 9.36%
- Health Benefits amount - \$1,736 per year; Medicare-eligible \$1,321

Retirement and health benefits for permanent state employees who work at least nine months per year and at least 30 hours per week must be included.

Note: The Social Security rates are the current estimates and could be changed by the U. S. Congress.

5.3 Continuation Budget Attachments

Attachment 1	Summary of Total Continuation Budget Requests by Department
Attachment 2	Sample Summary by Purpose
Attachment 3	Sample Summary by Account (Object)
Attachment 4	Sample Detail Request
Attachment 5	Sample Position Count
Attachment 6	Sample 1997-98 Reconciliation of Requirements, Receipts, and Appropriation
Attachment 7	Equipment Purchase Schedule
Attachment 7	Sample Equipment Purchase Schedule
Attachment 8	Licensed Motor Vehicle Purchase Schedule
Attachment 8	Sample Licensed Motor Vehicle Purchase Schedule
Attachment 9	Other Vehicle Purchase Schedule
Attachment 9	Sample Other Vehicle Purchase Schedule
Attachment 10	Sample Reconciliation of Position Counts and Budgeted Salaries
Attachment 11	Sample Utilities Worksheet
Attachment 12	Sample Format for Building Reserve

For assistance contact OSBM analyst.

SUMMARY OF TOTAL CONTINUATION REQUESTS BY DEPARTMENT
1999-2001 BIENNium

Section 5
Attachment 1
(Due 9/9/98)

Department								
Division or Institution		Budget Code						
		1999-00				2000-01		
	DESCRIPTION	1997-98 ACTUAL	1998-99 CERTIFIED	1998-99 AUTHORIZED	INCR/DECN OVER AUTHORIZED	AGENCY REQUEST	INCR/DECN OVER AUTHORIZED	AGENCY REQUEST
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
TOTAL REQUIREMENTS								
TOTAL ESTIMATED RECEIPTS								
*CHANGE IN CASH BALANCE								
*BEGINNING CASH BALANCE								
*ENDING CASH BALANCE								
NET APPROPRIATIONS								
NUMBER OF POSITIONS								

*Cash balance reflected for Special Funds codes only.

Prepare one summary Attachment 1 for each budget code and a grand total summary Attachment 1 combining all budget codes at your agency.

Submit 4 copies on 8 1/2 x 11-inch paper.

For online access:
<http://www.osbm.state.nc.us/instruction/>

SUMMARY BY PURPOSE
BUDGET PREPARATION WORKSHEET I
 (Note: This form is provided by BPS)

Section 5
 Sample Attachment 2
 (Due 9/9/98)

3XXX DEPARTMENT OF ABC INSTITUTION
13XXX ABC INSTITUTION

DESCRIPTION		1997-98	1998-99	1998-99	1999-00		2000-01	
					INCR/DECR OVER	AGENCY	INCR/DECR OVER	AGENCY
FUND	TITLE	ACTUAL	CERTIFIED	AUTHORIZED	AUTHORIZED	REQUEST	AUTHORIZED	REQUEST
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
REQUIREMENTS:								
1110	GENERAL ADMINISTRATION	\$11,284,000	\$11,318,537	\$11,358,951	\$62,000	\$11,420,951	\$55,000	\$11,413,951
1120	FISCAL MANAGEMENT	18,576,000	18,493,934	18,466,511	120,484	18,586,995	106,605	18,573,116
1220	PUBLICATIONS	4,630,000	4,636,538	4,642,458	36,682	4,679,140	32,451	4,674,909
1230	WASTE REDUCTION	2,530,400	2,631,221	2,640,500	35,060	2,675,560	31,015	2,671,515
1330	BUILDING MAINTENANCE	3,520,000	3,438,270	3,440,380	18,824	3,459,204	16,643	3,457,023
TOTAL REQUIREMENTS		\$40,540,400	\$40,518,500	\$40,548,800	\$273,050	\$40,821,850	\$241,714	\$40,790,514
ESTIMATED RECEIPTS:								
1110	GENERAL ADMINISTRATION	\$675,400	\$28,800	\$28,800	\$1,100	\$29,900	\$700	\$29,500
1120	FISCAL MANAGEMENT	1,111,000	50,020	47,300	1,800	49,100	1,130	48,430
1220	PUBLICATIONS	242,500	11,960	9,260	400	9,660	222	9,482
1230	WASTE REDUCTION	161,500	7,580	5,060	200	5,260	120	5,180
1330	BUILDING MAINTENANCE	235,000	9,440	7,040	300	7,340	170	7,210
TOTAL ESTIMATED RECEIPTS		\$2,425,400	\$107,800	\$97,460	\$3,800	\$101,260	\$2,342	\$99,802
NET APPROPRIATION		\$38,115,000	\$40,410,700	\$40,451,340	\$269,250	\$40,720,590	\$239,372	\$40,690,712

Submit 4 copies on 8 1/2 x 11-inch paper.

For online access:
<http://www.osbm.state.nc.us/instructions/>

SUMMARY BY ACCOUNT
BUDGET PREPARATION WORKSHEET I
(NOTE: This form is provided by BPS)

Section 5
Sample Attachment 3
(Due 9/9/98)

3XXX DEPARTMENT OF ABC INSTITUTION
13XXX ABC INSTITUTION

DESCRIPTION		1997-98	1998-99	1998-99	1999-00		2000-01	
					INCR/DEC R OVER	AGENCY	INCR/DEC R OVER	AGENCY
ACCOUNT	TITLE	ACTUAL	CERTIFIED	AUTHORIZED	AUTHORIZED	REQUEST	AUTHORIZED	REQUEST
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
REQUIREMENTS:								
531211	SPA REGULAR SALARIES	\$34,459,000	\$34,550,000	\$34,575,000	\$0	\$34,575,000	\$0	\$34,575,000
531311	TEMPORARY WAGES	125,000	125,800	126,200	5,600	131,800	5,600	131,800
531461	LONGEVITY	575,000	550,500	550,500	24,400	574,900	24,400	574,900
532210	ELECTRICAL SERVICES	815,500	822,800	822,800	35,900	858,700	43,000	865,800
532512	RENT/LEASE - BLDINGS/OFFICE	1,450,000	1,406,000	1,416,000	42,750	1,458,750	46,314	1,462,314
533410	FOOD SUPPLIES	28,700	32,800	32,800	4,700	37,500	8,000	40,800
533900	OTHER MATERIAL & SUPPLIES	2,250,000	2,238,600	2,232,000	62,000	2,294,000	58,900	2,290,900
534521	OFFICE EQUIPMENT	431,000	388,000	388,000	86,500	474,500	43,000	431,000
534541	AUTOS, TRUCKS & BUSES	406,200	404,000	405,500	11,200	416,700	12,500	418,000
TOTAL REQUIREMENTS		\$40,540,400	\$40,518,500	\$40,548,800	\$273,050	\$40,821,850	\$241,714	\$40,790,514
ESTIMATED RECEIPTS:								
434140	MAINTENANCE & REPAIR SERV.	\$63,500	\$65,800	\$64,580	\$1,200	\$65,780	\$1,300	\$67,080
438980	TRANSFERS FROM PRIOR YEAR	2,310,000	0	0	0	0	0	0
TOTAL ESTIMATED RECEIPTS		\$2,425,400	\$107,800	\$97,460	\$3,800	\$101,260	\$2,342	\$99,802
NET APPROPRIATION		\$38,115,000	\$40,410,700	\$40,451,340	\$269,250	\$40,720,590	\$239,372	\$40,690,712

Submit 4 copies on 8 1/2 x 11-inch paper.

DETAIL REQUEST
BUDGET PREPARATION - PRELIMINARY WORKSHEET I
 (NOTE: This form is provided by BPS)

Section 5
Sample Attachment 4
(Due 9/9/98)

3XXX ABC INSTIUTION

13XXX ABC INSTITUTION

1110 GENERAL ADMINISTRATION P/PB 2100

					1999-00		2000-01	
DESCRIPTION		1997-98	1998-99	1998-99	INCR/DECOR OVER	AGENCY	INCR/DECOR OVER	AGENCY
ACCOUNT	TITLE	ACTUAL	CERTIFIED	AUTHORIZED	AUTHORIZED	REQUEST	AUTHORIZED	REQUEST
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
REQUIREMENTS:								
531211	SPA REGULAR SALARIES	\$10,137,000	\$10,200,000	\$10,230,000	0	\$10,230,000	0	\$10,230,000
531461	LONGEVITY	188,000	180,000	180,000	8,000	188,000	8,000	188,000
TOTAL PERSONAL SERVICES		10,325,000	10,380,000	10,410,000	8,000	10,418,000	8,000	10,418,000
532210	ELECTRICAL SERVICE	227,000	229,058	229,058	10,000	239,058	12,000	241,058
532512	RENT/LEASE-BLDINGS/OFFICES	159,000	161,159	163,591	0	163,591	0	163,591
TOTAL PURCHASED SERVICES		386,000	390,217	392,649	10,000	402,649	12,000	404,649
533110	GENERAL OFFICE SUPPLIES	30,000	30,600	31,600	2,000	33,600	3,000	34,600
533410	FOOD SUPPLIES	407,000	394,720	399,702	12,000	411,702	13,000	412,702
533900	OTHER MATERIAL & SUPPLIES	8,000	7,000	7,000	1,000	8,000	2,000	9,000
TOTAL SUPPLIES		445,000	432,320	438,302	15,000	453,302	18,000	456,302
534521	OFFICE EQUIPMENT	8,000	8,000	10,000	5,000	15,000	5,000	15,000
534541	AUTOS, TRUCKS, & BUSES	120,000	108,000	108,000	24,000	132,000	12,000	120,000
TOTAL PROPERTY, PLANT AND EQUIP.		128,000	116,000	118,000	29,000	147,000	17,000	135,000
TOTAL REQUIREMENTS		\$11,284,000	\$11,318,537	\$11,358,951	\$62,000	\$11,420,951	\$55,000	\$11,413,951
ESTIMATED RECEIPTS:								
434310	SALE OF PUBLICATIONS	\$400	\$300	\$300	\$100	\$400	\$200	\$500
434320	SALE OF SURPLUS PROPERTY	5,000	4,500	4,500	1,000	5,500	500	5,000
435500	FINES, PENALTIES & ASSESS. FEES	23,000	24,000	24,000	0	24,000	0	24,000
438980	TRANSFERS FROM PRIOR YEAR	647,000	0	0	0	0	0	0
TOTAL ESTIMATED RECEIPTS		\$28,400	\$28,800	\$28,800	\$1,100	\$29,900	\$700	\$29,500
NET APPROPRIATION		\$11,255,600	\$11,289,737	\$11,330,151	\$60,900	\$11,391,051	\$54,300	\$11,384,451

Submit 4 copies on 8 1/2 x 11-inch paper.

**POSITION COUNT
SUMMARY BY PURPOSE
BUDGET PREPARATION WORKSHEET I**
(Note: This form is provided by BPS)

Section 5
Sample Attachment 5
(Due 9/9/98)

3XXX DEPARTMENT OF ABC INSTITUTION
13XXX ABC INSTITUTION

DESCRIPTION		1997-98 ACTUAL	1998-99 CERTIFIED	1998-99 AUTHORIZED	1999-00		2000-01	
					INCR/DECR OVER AUTHORIZED	AGENCY REQUEST	INCR/DECR OVER AUTHORIZED	AGENCY REQUEST
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1110	GENERAL ADMINISTRATION	11.00	11.00	11.00	1.00	12.00	1.00	12.00
1120	FISCAL MANAGEMENT	4.00	3.00	3.00		3.00		3.00
1220	PUBLICATIONS	13.00	13.00	13.00		13.00		13.00
1230	WASTE REDUCTION	11.00	11.00	11.00		11.00		11.00
1330	BUILDING MAINTENANCE	4.00	4.00	4.00		4.00		4.00
TOTAL		43.00	42.00	42.00	1.00	43.00	1.00	43.00

Submit 4 copies on 8 1/2 x 11-inch paper.

For online access:
<http://www.obsm.state.nc.us/instructions/>

1996-97 RECONCILIATION OF REQUIREMENTS, RECEIPTS, AND APPROPRIATION
(Generated by BPS)

Section 5
Sample Attachment 6
(Due 9/9/98)
Code: 13XXX

Department/Division: ABC Institution

Description	Certified 1998-99			Authorized 1998-99		
	Requirements	Receipts	Appropriation	Requirements	Receipts	Appropriation
Certified Budget	\$11,000,000	\$1,000,000	\$10,000,000	\$11,000,000	\$1,000,000	\$10,000,000
July 1998 Revised Certified Budget (Changes)	10,000	2,000	8,000	10,000	2,000	8,000
Budget Revisions:						
11 0002 SPA Salary Legislative Increase	24,764	0	24,764	24,764	0	24,764
11 0003 Hospitalization Increase	10,000	0	10,000	10,000	0	10,000
12 0001 Transfer Receipt-Supported Positions				14,859	14,859	0
12 0002 Establish New Position From Receipts	0	0	0	14,499	14,499	0
14 0001 Change Position Classification	0	0	0	0	0	0
14 0002 Salary Reserve Transfer	0	0	0	0	0	0
Total Revisions	34,764	0	34,764	64,122	29,358	34,764
Adjustments:				0		
Total Adjustments				0	0	0
Budget Code Total	\$11,044,764	\$1,002,000	\$10,042,764	\$11,074,122	\$1,031,358	\$10,042,764

Submit 4 copies on 8 1/2 x 11-inch paper.

For online access:
<http://www.osbm.state.nc.us/instruction/>

**EQUIPMENT PURCHASE SCHEDULE
PURCHASE OR INSTALLMENT PAYMENTS**
(For continuation requests only)

**Section 5
Attachment 7
(Due 9/9/98)**

Department _____ **Division or Institution** _____ **Budget Code** _____

FUND	ACCOUNT*	EQUIPMENT DESCRIPTION	1999-00			2000-01		
			QUANTITY NUMBER	COST PER UNIT	TOTAL COST	QUANTITY NUMBER	COST PER UNIT	TOTAL COST
		Total by Fund/Account						
		Less: Equipment included in 1998-99 Authorized Year						
		Net Amount to Worksheet I (Columns 6 & 8)						

**Prepare a separate schedule for each Fund/Account.*

(R) = Replacement (I) = Installment

**EQUIPMENT PURCHASE SCHEDULE
PURCHASE OR INSTALLMENT PAYMENTS**
(For continuation requests only)

Section 5
Sample Attachment 7
(Due 9/9/98)

Department _____ Division or Institution _____ Budget Code _____

FUND	ACCOUNT*	EQUIPMENT DESCRIPTION	1999-00			2000-01		
			QUANTITY NUMBER	COST PER UNIT	TOTAL COST	QUANTITY NUMBER	COST PER UNIT	TOTAL COST
1100	523523	<i>High Pressure Liquid Chromatograph (R)</i>	1	\$45,000	\$45,000			
		Total by Fund/Account			\$45,000			
		Less: Equipment included in 1998-99 Authorized Year			(2,300)			
		Net Amount to Worksheet I (Columns 6 & 8)			\$45,000			

**Prepare a separate schedule for each Fund/Account.*

(R) = Replacement (I) = Installment

LICENSED MOTOR VEHICLE PURCHASE SCHEDULE
(For continuation requests only)

Section 5
Attachment 8
(Due 9/9/98)

Department _____ Division or Institution _____ Budget Code _____

FUND	ACCOUNT	MAKE, TYPE, AND YEAR MODEL	DATE PURCHASED (MONTH AND YEAR)	ESTIMATED MILEAGE AS OF 6-30-98	1999-00		2000-01	
					TOTAL COST	TRADE-IN VALUE* (IF APPLICABLE)	TOTAL COST	TRADE-IN VALUE* (IF APPLICABLE)
		Total by Fund/Account						
		Less: Motor vehicles included in 1998-99 Authorized Year						
		Net Amount to Worksheet I (Columns 6 & 8)						

* Trade-in value will be shown as estimated receipts - "Sale of Surplus Property."

Submit 4 copies on 8 1/2 x 11-inch paper.

LICENSED MOTOR VEHICLE PURCHASE SCHEDULE

(For continuation requests only)

Section 5

Sample Attachment 8

(Due 9/9/98)

Department ABC Institution Division or Institution _____ Budget Code 13XXX

FUND	ACCOUNT	MAKE, TYPE, AND YEAR MODEL	DATE PURCHASED (MONTH AND YEAR)	ESTIMATED MILEAGE AS OF 6-30-98	1999-00		2000-01	
					TOTAL COST	TRADE-IN VALUE* (IF APPLICABLE)	TOTAL COST	TRADE-IN VALUE* (IF APPLICABLE)
1100	534541	Dodge Van - 1990	Feb. 1990	105,000	\$14,000	\$2,000		
1100	534541	Chevrolet Suburban - 1991	Jan. 1991	88,000			\$13,500	\$1,500
1100	534541	Dodge Truck 1/2 Ton 4WD - 1988	May 1988	93,500	11,000	1,000		
1100	534541	Chevrolet Truck 2 Ton - 1985	Dec. 1985	96,000	16,500	1,500		
1100	534541	Ford Truck 1/2 Ton - 1986	Mar. 1986	86,000			10,250	1,100
		Total by Fund/Account			\$41,500	\$4,500	\$23,750	\$2,600
		Less: Motor vehicles included in 1998-99 Authorized Year			(30,000)	(3,000)	(30,000)	(3,000)
		Net Amount to Worksheet I (Columns 6 & 8)			\$11,500	\$1,500	(\$6,250)	(\$400)
		(Requirements to Motor Vehicle account (object) and Trade in to Sale of Surplus Property receipt account (object))						

* Trade-in value will be shown as estimated receipts - "Sale of Surplus Property."

Submit 4 copies on 8 1/2 x 11-inch paper.

OTHER VEHICLE PURCHASE SCHEDULE

(For continuation requests only)

Section 5

Attachment 9

(Due 9/9/98)

Department ABC Institution Division or Institution _____ Budget Code 13XXX

FUND	ACCOUNT	DESCRIPTION (MAKE, TYPE, AND YEAR MODEL)	DATE PURCHASED (MONTH & YEAR) NUMBER	CONDITION*	1999-00		2000-01	
					TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)	TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)
		Total by Fund/Account						
		Less: Other vehicles included in 1998-99 Authorized Year						
		Net Amount to Worksheet I (Columns 6 & 8)						
		(Requirements to Other Vehicle account (object) and Trade-in to Sale of Surplus Property receipt account (object))						

* Provide information from maintenance records, frequency of repairs, and other pertinent information such as mileage or hours of operation to assist in determining condition.

** Trade-in value will be shown as estimated receipts - "Sale of Surplus Property."

Submit 4 copies on 8 1/2 x 11-inch paper.

For online access:
<http://www.osbm.state.nc.us/instructions/>

OTHER VEHICLE PURCHASE SCHEDULE
(For continuation requests only)

Section 5
Sample Attachment 9
(Due 9/9/98)

Department ABC Institution Division or Institution _____ Budget Code 13XXX

FUND	ACCOUNT	DESCRIPTION (MAKE, TYPE, AND YEAR MODEL)	DATE PURCHASED (MONTH & YEAR) NUMBER	CONDITION*	1999-00		2000-01	
					TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)	TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)
1230	534549	Ford Tractor 1985 Model 740	March 1985 (New) 1	Nonrepairable, declared unsafe for use by safety officer due to metal fatigue.	\$68,000	\$500		
1230	534549	Hough Payloader 1975 Model H-30-B	April 1975 (New) 1	Poor, replacement parts not available, electrical system not repairable. *Additional maintenance information attached.			\$55,000	\$1,500
		Total by Fund/Account			\$68,000	\$500	\$55,000	\$1,500
		Less: Other vehicles included in 1998-99 Authorized Year			(15,000)	(250)	(10,000)	(500)
		Net Amount to Worksheet I (Columns 6 & 8)			\$53,000	\$250	\$45,000	\$1,000
		(Requirements to Other Vehicle account (object) and Trade-in to Sale of Surplus Property receipt account (object))						

* Provide information from maintenance records, frequency of repairs, and other pertinent information such as mileage or hours of operation to assist in determining condition.

** Trade-in value will be shown as estimated receipts - "Sale of Surplus Property."

Submit 4 copies on 8 1/2 x 11-inch paper.

For online access:
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RECONCILIATION OF POSITION COUNTS AND BUDGETED SALARIES
(Generated by BPS)

Department/Division: ABC Institution

Budget Code: 13035

Fund/Account: 1110-53 1211 Administration

Section 5
Sample Attachment 10
(Due 9/9/98)

SPA Regular Salaries - Appropriated

Description	Authorized Salaries					Authorized Position Count				
	1999-00		2000-01			1999-00		2000-01		
	1998-99	Incr/Decr	Total	Incr/Decr	Total	1998-99	Incr/Decr	Total	Incr/Decr	Total
Certified Budget	150,450		150,450		150,450	5.50		5.50		5.50
Budget Revision:										
11 0003 New accounting positions	88,000		88,000		88,000	2.00		2.00		2.00
12 0010 Transfer Clerk from Other Institution	15,000		15,000		15,000	1.00		1.00		1.00
12 0023 Transfer salary reserve	20,000		20,000		20,000					
Total Revised	273,450	0	273,450	0	273,450	8.50	0.00	8.50	0.00	8.50
Requested Changes:										
97 0001 Abolish Mail Clerk		-14,000	-14,000	-14,000	-14,000		-1.00	-1.00	-1.00	-1.00
Total for fund/account	273,450	-14,000	259,450	-14,000	259,450	8.50	-1.00	7.50	-1.00	7.50

SAMPLE UTILITIES WORKSHEET
ABC INSTITUTION
CONTINUATION BUDGET 1999-2001 CODE 130XX

Section 5
Sample Attachment 11
(Due 9/9/98)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
UTILITY	USAGE	ACTUAL	AUTHORIZED	REQUESTED	AGENCY	REQUESTED	AGENCY
TYPE	RATE*	EXPEND.	BUDGET	INCR/DECR	REQUEST	INCR/DECR	REQUEST
		1997-98	1998-99	1999-00	1999-00	2000-01	2000-01
UTILITY		<i>actual</i>	<i>authorized</i>				
<i>1999-00- 3 year average usage* x rate = column 6</i>				<i>col. 6 - col. 4</i>	<i>calculation</i>		
<i>2000-01 - 3 year average usage* x rate = column 8</i>						<i>col. 8 - col. 4</i>	<i>calculation</i>
<u>ELECTRICITY</u>		\$2,073,217	\$2,490,473				
1999-00	33,973,967(kwh) .06104			(\$234,602)	\$2,255,871		
2000-01	33,973,967(kwh) .06975					(\$120,789)	\$2,369,684
<u>FUEL OIL</u>		889,993	900,000				
1999-00	1,285,750 gal. @ .70			25	900,025		
2000-01	1,285,750 gal. @ .73					35,598	935,598
<u>SEWER</u>		79,211	214,136				
1999-00	(97,054 CCF 2.496) + 3,335**			31,446	245,582		
2000-01	(97,054 CCF 2.595) + 3,335**					41,054	255,190
	** Pump grease traps						
<u>OTHER</u>							
<u>UTILITIES</u>		37,261	40,000				
1999-00	NONE LISTED			0	40,000		
2000-01	NONE LISTED					0	40,000
TOTAL UTILITIES		<u>\$3,079,682</u>	<u>\$3,644,609</u>	<u>(\$203,131)</u>	<u>\$3,441,478</u>	<u>(\$44,137)</u>	<u>\$3,600,472</u>

*Average actual usage 1995-96, 1996-97, and 1997-98.

Procedure/documentation for average usage.					
Average Usage	1995-96	1996-97	1997-98		Average Usage
Electricity (kwh)	33,438,982	32,343,805	36,139,114	divide by 3 =	33,973,967
Fuel Oil (gal.)	1,174,289	1,039,500	1,703,461	divide by 3 =	1,285,750
Sewer (CCF)	96,416	98,005	96,741	divide by 3 =	97,054

For online access:
<http://www.osbm.state.nc.us/instructions>

SAMPLE FORMAT FOR BUILDING RESERVE

ABC Department1999-01 Operating Reserves
Continuation Budget**XYZ Division****1711** General Institutional Support
(**XYZ Division - 14XXX**)***Reserve for Operation of New Building***

C.I. Code: 49581-4501

Estimated Completion Date: January 1, 2000

(As provided by State Construction)

Fund- Account	Description	Prorata Cost 1999-00	Annual Cost 2000-01
1711-531211	SPA Regular Salaries		
	6.0 Housekeeper @ 12,261	\$36,783	\$73,566
	.5 Housekeeper Supervisor @ 13,840	3,460	6,920
	.5 Maintenance Mechanic I @ 16,224	4,056	8,112
	.5 Grounds Worker @ 15,012	<u>3,753</u>	<u>7,506</u>
	Total Regular Salaries	48,052	96,104
1711-531511	Social Security	3,676	7,352
1711-531521	State Retirement	5,252	10,504
1711-531561	Medical Insurance	6,510	13,020
1711-532210	Electrical	50,000	100,000
1711-532310	Repairs - Buildings	4,000	8,000
1711-532430	Maintenance Contracts		5000
1711-532811	Telephone		
	Telephone Installation	1,500	
	Telephone Equipment Rental	<u>3,000</u>	<u>6,000</u>
	Total Telephone	4,500	6,000
1711-533210	Janitorial Supplies		
	Initial Supplies	3,000	
	Regular Supplies	<u>5,000</u>	<u>10,000</u>
	Total Janitorial Supplies	8,000	10,000
1711-533240	Carpentry and Hardward Supplies	1,000	2,000
1711-534539	Other Equipment	2,000	
1711-535890	Other Administrative Expense	8,000	
Total - Reserve for Operation of New Bldg.		<u><u>\$140,990</u></u>	<u><u>\$257,980</u></u>

Use salary rates in effect June 30, 1998.

Example assumes that employees are paid monthly.

6. EXPANSION BUDGET

The expansion budget is the agency's request for (1) additional operating funds above those allowed in the continuation budget, including inflationary cost of the state's share of locally operated programs (Jordan Adams), new and/or pilot programs, (2) departmental proposals to change a statutorily-controlled program by redirecting funds from one program to another, (3) one-time major equipment purchases, (4) continued phase-in of new programs initiated in a previous biennium, (5) legislatively-designated salary increases, and (6) funds to replace lost federal funds. Any expansion request that is related to information technology must also be reflected in your agencies' Information Technology Plan that is submitted to the Information Resource Management Commission through the Department of Commerce/Information Resource Management section.

6.1 Expansion Budget (Worksheet II)

The *Summary List of Expansion Budget Requests* (Attachment 1) and *Worksheet II* (Attachment 2) must be used for official expansion requests. The Summary List must be completed and submitted with the Worksheet II to OSBM by September 30, 1998. Submit four (4) copies of the above-referenced schedules on 8 1/2" by 11" green paper.

Procedures

6.1a Summary List and Priority of Funding

On the Summary List of Expansion Requests, summarize each request into one list of short, concise sentences with the total funds requested shown in the columns for 1999-00 and 2000-01. Each item involving receipts must show total requirements, estimated receipts, and appropriation requested. Show the number of positions directly beneath the requested appropriation. Attachment 1 will be used for the Summary List of Expansion Requests. Attachment 2 (Worksheet II) must be submitted for the top ten priority items in the expansion request. An Action Plan must accompany each of the agency's top ten priority items. (See Section 4.8) Worksheet IIs for other priorities should be available on request.

- Line 1 indicates the name of the **Agency** submitting the request.
- Line 2 indicates the **Priority Number** for the expansion request. The **Program Description** is the brief narrative for which the request is made.
- Line 3 indicates the total **Requirements** for the expansion item for fiscal year 1999-00 and 2000-01, respectively.

- Lines 4a, 4b, and 4c indicate **Receipts** for the expansion request.
 - *Line 4a* indicates **Federal receipts** which support the requirements for the expansion item for fiscal years 1999-00 and 2000-01, respectively.
 - *Line 4b* indicates **Local receipts** which support the requirements for the expansion item for fiscal years 1999-00 and 2000-01, respectively.
 - *Line 4c* indicates **Other receipts** which support the requirements for the expansion item for fiscal year 1999-00 and 2000-01, respectively.
- Line 5 indicates **Appropriation** support for the expansion item for fiscal year 1999-00 and 2000-01, respectively.
- Line 6 indicates the total **Number of Positions** (rounded to the second decimal) requested for the expansion item for fiscal year 1999-00 and 2000-01, respectively.

Note: *Repeat the instructions for lines 2 - 6 for each expansion request.*

- Line 7 indicates **Total Requirements** for *all* expansion items **requested** for fiscal year 1999-00 and 2000-01, respectively.
- Lines 8a, 8b, and 8c indicate **Total Receipts** for all expansion items requested.
 - *Line 8a* indicates **Total Federal Receipts** which support the requirements for the expansion items for fiscal years 1999-00 and 2000-01, respectively.
 - *Line 8b* indicates **Total Local Receipts** which support the requirements for the expansion items for fiscal years 1999-00 and 2000-01, respectively.
 - *Line 8c* indicates **Total Other Receipts** which support the requirements for the expansion items for fiscal years 1999-00 and 2000-01, respectively.
- Line 9 indicates **Total Appropriation** for all expansion items for fiscal years 1999-00 and 2000-01, respectively.
- Line 10 indicates **Total Positions** (rounded to the second decimal) for all expansion items for fiscal years 1999-00 and 2000-01, respectively.

6.1b Expansion Budget (Worksheet II) Instructions

The form on which funds for expansion items will be requested is the Worksheet II. A separate Worksheet II must be completed and submitted by the agency for each of the top ten expansion priority items.

Expansion items must be assigned a priority number by the requesting agency. The priority number is listed on each Worksheet II, and all Worksheet II's must be assembled in priority order when submitted on September 30, 1998.

Instructions for completion of the Worksheet II are:

- Line 1 indicates the **Priority Number** of the request and the **Total Number** of expansion items submitted (Priority No. ____ of ____). Repeat this process at the top of each page of the Worksheet II.
- Line 2 indicates the **Budget Code** number, the **Department** title, and the **Division** or **Institution** for which the expansion request is submitted.
- Line 3 indicates the North Carolina Accounting System (NCAS) operating **Fund Number** and **Fund Title** for which the expansion request is submitted.
- Line 4 indicates the P/PB **Program Number** and **Current Operation Chart Numbers** for which the expansion request is submitted.
- Line 5 indicates the **Title of the Request** for which the Worksheet II is prepared.
- Lines 6a, 7a, and 8a indicate whether it is necessary to include a **Special Provision**, a **General Statute** change, or if a new statute is required to implement the request. A draft of the legislation must be attached to the expansion request.
- Lines 6b, 7b, 8b, and 9b indicate **Totals** for the expansion request:
 - Line 6b indicates the **Total Requirements** for the expansion budget request as shown on Line 15, page 3, for fiscal years 1999-00 and 2000-01.
 - Line 7b indicates the **Total Receipts** for the expansion budget request as shown on Line 18, page 3, for fiscal years 1999-00 and 2000-01.
 - Line 8b indicates the total **Appropriation** for the expansion budget request as shown on Line 19, page 3, for fiscal years 1999-00 and 2000-01.
 - Line 9b indicates the **Total Positions** (rounded to second decimal) for the expansion request as shown on Line 16, page 3, for fiscal years 1999-00 and 2000-01.
- Line 10 includes the **Narrative**, which is a description of the purpose of the expansion request and the impact on the objectives for the current program, the changes in operations necessary to accomplish the objective, and the anticipated outcome/impact after implementation of the changes. If the request is to expand operations included in the continuation budget, the narrative should state the continuation budget objectives and the change that will be effected by the additional funding. If the request is for a new program, the narrative should identify the objectives, operations/outputs to accomplish the objectives, and the anticipated outcomes/impacts after implementation of the new program. Note: If a single Action Plan is attached to a Worksheet II, the “Narrative” may simply repeat the narrative from attached Action Plan. If multiple Action Plans are attached to a single Worksheet II, the Action Plans need to be summarized in the Worksheet II “Narrative”.

At the end of the Narrative, list the **Objective(s)** supported by this expansion request.

- Line 11 indicates **Additional Resources** required from another agency to support the request.
- Line 12 indicates the **Name of the Agency** and the additional cost for the agency to support the request.
- Line 13 indicates the **Description** of a key performance measure impacted by the expansion item.

If the measure and statistical data are included in the continuation budget, an "E" should be entered in the box in the **New/Existing** column to indicate an existing measure. The statistical data shown in the 1997-98 and 1998-99 columns must then be exactly as shown in the fund's program statistics.

If the measure is a new measure for an existing activity, an "N" should be entered in the box in the **New/Existing** column. The example shows one case where the measure is a new measure for an existing activity, and statistical data is entered in the 1997-98 and 1998-99 columns since measures are available. Another instance shows an "N" where the measure is new and data is not available.

Activity measures indicate the quantity of a service delivered or workload. Outcome measures indicate the impact of program activities.

- Line 14 indicates the estimated *incremental change in the statistical data* for an existing measure or the data of a new measure. The data on this line does not include the continuation level for an existing measure.
- Line 15 indicates the revised measure after the implementation of the expansion request. This measure will be the total of the data shown on Lines 13 and 14.
- Line 16 indicates the detail of the **Requirements** for the expansion request. The Account (Object) Number and Title are the NCAS expenditure **Account (Object) Number** and **Account Title** at the following detail.
 - 1XXX Salaries and Benefits - detail level,
 - 2XXX-5XXX Other Expenses - consolidate as one number,
 - 6XXX State-aid - detail level,
 - 7XXX Reserves - detail level,
 - 8XXX Transfers - detail level
 - All receipts

The amounts shown in the 1999-00 and 2000-01 columns reflect the incremental change in the funding required to implement the request. The projection of the requirements for fiscal years should include the incremental change in the funding required to continue funding for the request.

Pursuant to G.S. 143B-426.21(b)(4), OSBM will work with the Information Resource Management Commission to review all requests related to the procurement of information technology.

Fringe benefits for new positions should be based on the rates shown in section 5.4b. Social Security rates of 7.65% will be on the salary base.

Equipment to support new positions should be itemized in the year the position is established. Other equipment related to the expansion request should be itemized in the appropriate year.

- Line 17 indicates the total **Requirements** of the *existing program* as shown in the continuation budget for 1997-98 Actual, and 1998-99 Authorized. The requirements shown for fiscal years 1999-00 through 2003-04 indicate the total of the incremental change required for implementation of the expansion request.
- Line 18 indicates the total **Full Time Equivalent** (FTE) positions of the *existing program* as shown in the continuation budget for 1997-98 Actual, and 1998-99 Authorized. The FTE positions shown for fiscal years 1999-00 through 2003-04 indicate the total of the positions required for implementation of the expansion request. (Detail of the positions included in the expansion request will be provided on Page 4, Line 21.)
- Line 19 indicates the detail of the **Receipts** for the expansion request. The Account (Object) number and title are the NCAS receipt **Account Number** and **Account (Object) Title** of the Account (Object) detail. The amounts shown in the 1999-00 and 2000-01 columns reflect the incremental increase in the level of receipts anticipated for implementation of the expansion request.
- Line 20 indicates the **Receipts** of the *existing program* as shown in the continuation budget for 1997-98 Actual and 1998-99 Authorized. The receipts shown for fiscal years through 2003-04 indicate the total incremental increase in receipts for the expansion request.
- Line 21 indicates the **Appropriation** of the *existing program* as shown in the continuation budget for 1997-98 Actual, and 1998-99 Authorized. The appropriation shown for fiscal years 1999-00 through 2003-04 indicates the incremental change in the total appropriation for the expansion request.

- Line 22 indicates the **Cash Balance** funding of the *existing program* as shown in the continuation budget for 1997-98 Actual and 1998-99 Authorized. The Cash Balance funding shown for fiscal years 1999-00 through 2003-04 indicates the total cash balance requirements for the expansion request.
- Line 23 indicates the detail of positions requested by Salary **Grade**, State Personnel **Classification**, **Effective Date**, the **FTE** (rounded to 2nd decimal) for fiscal years 1999-00 and 2000-01, the **Annual Salary** of the position, and the **Budgeted Salary** for fiscal years 1999-00 and 2000-01. The requested salary level for each new position should be at the standard or special entry level currently authorized by the Office of State Personnel and must conform to the established salary schedules used by state government. (If a position is funded from multiple sources, indicate the source and the percentage of funding from each source in the classification column.)
- Line 24 indicates the FTE (rounded to 2nd decimal) **Total Number** and **Budgeted Salary** of the positions for the expansion budget request for fiscal years 1999-00 and 2000-01. This information should agree with the information shown on Line 16, Page 3.
- Line 25 indicates whether there is a **Capital Improvement Project** associated with the expansion request.
- Line 26 indicates the **Capital Improvement Project Title** which relates to the request.
- Line 27 indicates the Capital Improvement **Budget Code Number**, the **Item Number**, and the **Projected Completion Date** of the project which relates to the request. The **Budget Code Number** is represented by 49xxx. The second and third numbers represent the fiscal year of the project, (such as 494xx) and the fourth and fifth numbers represent the department's two-digit identification assigned by OSBM. Contact the Capital Improvement Section of OSBM if you have questions about the code number (919/733-7061). The **Item Number** should be the same as the Item Number on your Capital Improvement Project request.
- Line 28 indicates **Space Requirements** per G.S. 120-36.7(c) indicating whether those requirements can be satisfied using existing state-owned facilities.
- Line 29 indicates the **Type of Space** required for the request. Check the appropriate type.
- Line 30 indicates **Additional Square Footage Required** for the request for five state fiscal years.
- Line 31 indicates estimated additional annual **Cost of the Space Requirements** for five state fiscal years.

For assistance contact an OSBM analyst.

- Line 32, 33 Each request which requires additional vehicles from the state motor pool must indicate the number of additional cars required to support the request. If the request requires additional resources from another agency the details of those requirements should be included in the narrative.

For assistance contact an OSBM analyst.

6.2. Expansion Budget Attachments

Attachment 1 Summary List of Expansion Budget Requests

Attachment 2 Worksheet II Expansion Budget Request

SUMMARY LIST OF EXPANSION REQUESTS

1 Agency: _____

Priority Number	Program Description (Concise Sentences)	Requested 1999-00	Requested 2000-01
2			\$
3		Requirements \$	
4a		Receipts	
4b		Federal	\$
4c		Local	
5		Other	
6		Appropriation \$	
		No. of Positions	
(Insert and copy additional lines as needed for each expansion item.)			
7		Total Requirements \$	\$
		Total Receipts	
8a		Federal	
8b		Local	\$
8c		Other	
9		Total Appropriation \$	
10		Total No. of Positions	

Submit 4 copies on 8 1/2 x 11-inch green paper.

WORKSHEET II EXPANSION BUDGET REQUEST

1
2 BUDGET CODE: _____ DEPARTMENT: _____ PRIORITY No. of
3 FUND NUMBER: _____ DIVISION/ INSTITUTION: _____
4 PROGRAM NUMBER: _____ FUND TITLE: _____
5 TITLE OF REQUEST: _____ COC NUMBER: _____

6a STATUTORY CHANGES/SPECIAL PROVISIONS REQUIRED TO IMPLEMENT?

7a YES NO

8a IF YES, ATTACH A COPY OF THE DRAFT.

9a

10

	1999-00	2000-01
6b TOTAL REQUIREMENTS		
7b TOTAL RECEIPTS		
8b APPROPRIATION		
9b TOTAL POSITIONS	0.00	0.00

NARRATIVE:

Objective:

11 Does this request require additional resources from another agency

Yes

No

12 Name the agency and the funds required: _____
Agency

Funds Requested: _____
1999-2000 2000-2001

Priority No. of **MEASURES: G.S. 143-3.5**

Description:		New/ Existing*	Actual 1997-98	Authorized 1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
13		Continuation							
14		Expansion							
15		Revised							
		Continuation							
		Expansion							
		Revised							
		Continuation							
		Expansion							
		Revised							
		Continuation							
		Expansion							
		Revised							
		Continuation							
		Expansion							
		Revised							
		Continuation							
		Expansion							
		Revised							
		Continuation							
		Expansion							
		Revised							
		Continuation							
		Expansion							
		Revised							

Note: Attach a graphic if necessary to explain the change in measures.

* Indicate if this is a New (N) or Existing Measure (E).

Priority No. of

[illegible]

Requirements			0	0	0	0	0
Number of F.T.E.*	0.00	0.00	0.00	0.00	0.00	0.00	0.00

[illegible]

Receipts			0	0	0	0	0
APPROPRIATION							
CHANGE IN CASH BALANCE							

* Complete Detail information for total positions requested on the following page.

Priority No. of **POSITIONS REQUESTED:***Detail of the positions included in this expansion request.*

23

GRADE	CLASSIFICATION/EFFECTIVE DATE:

1999-00
F.T.E2000-01
F.T.EAnnual
Salary**1999-00
Budgeted
Salary2000-01
Budgeted
Salary

0.000

0.000

\$0

\$0

\$0

24

Total#

0.000

0.000

\$0

\$0

** Minimum level salary for the classification requested unless supporting OSP documentation attached.

#Total F.T.E's equal the number of total F.T.E.'s shown on Page 3, Line 16 of this request.

25 DOES THIS EXPANSION REQUEST RELATE TO A CAPITAL IMPROVEMENT PROJECT?

YES

NO

26 IF YES, TITLE OF C.I. PROJECT:

27 C.I. BUDGET CODE:

ITEM NUMBER:

PROJECTED COMPLETION DATE:

SPACE REQUIREMENTS: G.S. 120-36.7 (c)

28 DOES THIS REQUEST REQUIRE ADDITIONAL SPACE?

YES

NO

IF YES, COMPLETE THE FOLLOWING:

Office Storage Other

1998-99

1999-00

2000-01

2001-02

2002-03

29 Type of Space:

30 Additional Square Footage Required

31 Estimated Cost of Space Requirements

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

MOTOR POOL REQUIREMENTS:

32 DOES THIS REQUEST REQUIRE ADDITIONAL VEHICLES FROM THE STATE MOTOR POOL

YES

NO

33 IF YES, HOW MANY?

Submit 4 copies on 8 1/2 x 11-inch green paper.

For online access:

<http://www.osbm.state.nc.us/instructions/>

WORKSHEET II EXPANSION BUDGET REQUEST

1
2 BUDGET CODE: 16800 DEPARTMENT: Dept. of Community Colleges DIVISION/ INSTITUTION: _____ Priority No. 4 of 8
3 FUND NUMBER: 1600 FUND TITLE: State Aid-Instruction
4 PROGRAM NUMBER: 7210 COC NUMBER: 13-3
5 TITLE OF REQUEST: Career Counseling and Testing Program

6a STATUTORY CHANGES/SPECIAL PROVISIONS REQUIRED TO IMPLEMENT?

7a YES ☐ NO ☒

8a IF YES, ATTACH A COPY OF THE DRAFT.

9a

10

	1999-00	2000-01
6b TOTAL REQUIREMENTS	1,695,648	1,643,748
7b TOTAL RECEIPTS	24,000	48,000
8b APPROPRIATION	1,671,648	1,595,748
9b TOTAL POSITIONS	40.00	40.00

NARRATIVE:**Need**

Less than one-fifth of the students enrolling in vocational technical programs graduate from the first program they choose. Many leave because they get jobs, but about half switch programs or leave because they find that the "work is not for them." In either event, there is a waste of resources which would not occur if students avoided programs which were inconsistent with their interest and aptitudes. Though it is impossible to insure that every student find his niche in the first program he chooses, it is possible to improve the program selection of students by aptitude and interest testing and career counseling.

Change to Current Operations

Presently, colleges guard against students entering vocational technical programs for which they have inadequate skills by requiring placement test scores commensurate with the academic demands of the course of study. Students who come without a clear career direction are often encouraged to choose from programs for which they have adequate placement scores, but community colleges do not have the testing resources or counselors necessary to help students understand their interests, aptitudes, and and appropriate careers.

The Career Counseling and Testing Program will fund between a half-time and three full-time career counseling positions (based on FTE) for each community college, for a total of 40 counselors. In addition, program receipts will fund the cost of the McGraw Hill "Career Guidance Program" which is a set of interest and aptitude tests plus information on careers, at which people with a given mix of interests and aptitudes most frequently succeed. The proposed program will insure that students who were unsure about their career choice will be able to get help both before they enroll, or at least before they have spent an inordinately long period in a program which is inconsistent with their aptitudes and interests. It is projected that each counselor will assist 500 to 700 students a year and test 120 students. Students who are tested will be charged \$10 for the service, the cost of the test battery.

Anticipated Outcomes

The primary anticipated outcome is a reduction in the number of students reporting that they dropped out of a program because the "work is not for them." The secondary anticipated benefit is an increase in the proportion of students graduating from vocational and technical programs. With the career counseling and testing program it is projected that by 1999-00 the percent of students reporting that they left a program because the "work is not for me" will drop from the current 20,000 to under 17,000. The indicator of successful improvement in graduating students will be the increase in the ratio of graduates to FTE enrollment from the present .2 to .25.

The average FTE cost for a vocational technical program student is \$2,600. A student who takes a year of course work and decides to quite or change programs seldom gains more than a small part of the potential economic benefit of the instruction. Since the average program changer/dropout takes about one year of courses before transferring or dropping out, about \$2,600 is spent on him. Assuming that nearly half of the value is lost, the loss of a program transferer/dropout is conservatively about \$1,200. The projected impact of the program is that a decrease of 3,000 program changers/dropouts at \$1,200 would save \$3.6 million.

Objective: 85% of students surveyed within one year of leaving a community college program will rate the college's instruction as "good" or better. (7210.01)

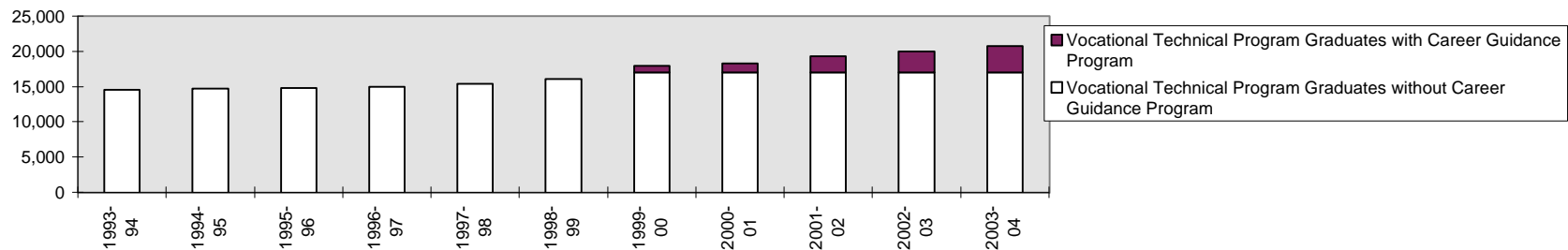
11 Does this request require additional resources from another agency

Yes

No ☒12 Name the agency and the funds required: _____
AgencyFunds Requested: _____
1999-2000 2000-2001

MEASURES: G.S. 143-3.513
14
15

Description:		New/ Existing*	Actual 1997-98	Authorized 1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Number of students not returning to their program because the "work is not for me"	Continuation	N	20,500	20,000	20,000	20,000	20,000	20,000	20,000
	Expansion	N			-1,400	-3,000	-3,000	-3,000	-3,000
	Revised				18,600	17,000	17,000	17,000	17,000
Savings based on the estimate that the average program changer has used \$1,200 in resources to no benefit	Continuation	N			\$0	\$0	\$0	\$0	\$0
	Expansion	N			\$1,680,000	\$3,600,000	\$3,600,000	\$3,600,000	\$3,600,000
	Revised				\$1,680,000	\$3,600,000	\$3,600,000	\$3,600,000	\$3,600,000
Ratio of vocational technical program graduates to FTE enrollment	Continuation	E	0.206	0.217	0.217	0.217	0.217	0.217	0.217
	Expansion	E			0.014	0.018	0.033	0.043	0.053
	Revised				0.231	0.235	0.250	0.260	0.270
Number of students completing a vocational technical program	Continuation	E	15,400	16,100	17,000	17,000	17,000	17,000	17,000
	Expansion	E			975	1,255	2,312	3,012	3,712
	Revised				17,975	18,255	19,312	20,012	20,712

Projected Vocational Technical Program Graduates with and without Career Counseling and Testing

Note: Attach a graphic if necessary to explain the change in measures.

* Indicate if this is a New (N) or Existing Measure (E).

BUDGET: G.S. 143-3.5 Detail of budget is to be provided at the NCAS Agency Management Report detail level.**REQUIREMENTS:**

16	ACCOUNT NO.	ACCOUNT TITLE	Actual 1997-98	Authorized 1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
	531211	SPA Regular Salaries			1,280,000	1,280,000			
	531511	Social Security Contributions			97,920	97,920			
	531521	Retirement Contribution			140,288	140,288			
	531561	Medical Ins. Contributions			69,440	69,440			
	533110	General Office Supplies			28,000	56,100			
	534522	Equipment - Computers							
		(40) Personal Computers			80,000	-			

RECEIPTS:

19	435900	Other Lic. Fees/Permits			24,000	48,000			
20		Receipts	0	0	24,000	48,000	48,000	48,000	48,000
21		APPROPRIATION	8,872,685	9,127,152	1,671,648	1,595,748	1,596,870	1,598,014	1,599,182
22		CHANGE IN CASH BALANCE							

* Complete Detail information for total positions requested on the following page.

Priority No. 4 of 8

POSITIONS REQUESTED:

Detail of the positions included in this expansion request.

		1999-00	2000-01	1999-00	2000-01
		F.T.E	F.T.E	Budgeted	Budgeted
				Salary	Salary
				**	

**** Minimum level salary for the classification requested unless supporting OSP documentation attached.**

#Total F.T.E's equal the number of total F.T.E.'s shown on Page 3, Line 16 of this request.

25 DOES THIS EXPANSION REQUEST RELATE TO A CAPITAL IMPROVEMENT PROJECT?

YES ☐ NO ☒

26 IF YES, TITLE OF C.I. PROJECT:

27 C.I. BUDGET CODE: ITEM NUMBER: PROJECTED COMPLETION DATE:

SPACE REQUIREMENTS: G.S. 120-36.7 (c)

28 DOES THIS REQUEST REQUIRE ADDITIONAL SPACE?

YES ☐NO

--

IF YES, COMPLETE THE FOLLOWING:

	Office	Storage	Other
...

29	Type of Space:			
----	----------------	--	--	--

30	Additional Square Footage Required
----	------------------------------------

31 Estimated Cost of Space Requirements

<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>
----------------	----------------	----------------	----------------	----------------

MOTOR POOL REQUIREMENTS:

32 DOES THIS REQUEST REQUIRE ADDITIONAL VEHICLES FROM THE STATE MOTOR POOL

YES ☐ NO ☒

33 IF YES, HOW MANY?

Submit 4 copies on 8 1/2 x 11-inch green paper.

Action Plan (Expansion Budget)
(See Section 4.10 of Instructions)

Organizational Unit Name		Department of Community Colleges/Academic and Student Services	
Organizational Unit ID Number		13	COC ID (e.g., "1 of 2") 3 of 4
BUDGET CODE	FUND CODE		
16800	1600		

Complete Action Plans for selected COCs as instructed by your department. Action Plans are necessary to support your department's top ten expansion budget priorities. Action Plans should be prepared for each COC impacted by a proposed expansion. One Worksheet II may be supported by multiple Action Plans.

<p>Need: Fewer than one-fifth of vocational technical students graduate from the first program they select. While many leave for employment, nearly half change programs or leave because they discover they are not interested in that particular type of work. The resulting waste of resources could be avoided if a match between student interests and aptitudes was determined prior to enrollment. While it is not possible to guarantee accurate first course selections, aptitude and interest testing, and career counseling could reduce attrition due to course selections that are inconsistent with student interests and aptitudes.</p>		
<p>Change to current operations: Presently colleges guard against students entering vocational technical programs for which they have inadequate skills by requiring placement test scores commensurate with the academic demands of the course of study, but community colleges do not have the testing resources or counselors necessary to help students understand their interests, aptitudes, and appropriate careers. The Career Counseling and Testing Program will fund between a half-time and three full-time career counseling positions (based on FTE) for each community college, for a total of 40 counselors. In addition, program receipts will fund the cost of the "McGraw-Hill Career Guidance Program," a set of interest and aptitude tests plus information on careers at which people with a mix of interests and aptitudes most frequently succeed. The proposed program will ensure that the students who were unsure about their career choice will be able to get help before they enroll, or at least before they have spent an inordinately long period in a program which is inconsistent with their aptitudes and interests. It is projected that each counselor will assist 500-700 students per year and test 120 students. Students who are tested will be charged \$10 for the services, the cost of the test battery.</p>		
<p>Anticipated outcomes: The primary anticipated outcome is a reduction in the number of students reporting that they dropped out of a program because the "work is not for them." The secondary benefit is an increase in the proportion of students graduating from vocational and technical programs. With the career counseling and testing program it is projected that by 1999-2000 the percent of students reporting that they left a program because "the work is not for me" will drop from the current 20,000 to under 17,000. The indicator of successful improvement in graduating students will be the increase in the ratio of graduate to FTE enrollment from the present .2 to .25.</p>		
<p>The average FTE cost for a vocational technical program student is \$2,600. A student who takes a year of course work and decides to quit or change programs seldom gains more than a small part of the potential economic benefit of the instruction. Since the average program changer/dropout takes about one year of course before transferring or dropping out, about \$2,600 is spent on that student. Assuming that nearly half of the value is lost, the loss of program transfer/dropout is conservatively about \$1,200. The projected impact of the program is that a decrease of 3,000 program changers/dropouts at \$1,200 would save \$3.6 million.</p>		
<p>Objective supported by action Identify the objective supported by this proposed action in the cell below. To the right, indicate by "x" in the appropriate column whether this is a new or existing objective</p>	<p>New Objective (Indicate by "x" if this objective was <u>not</u> previously identified on your Performance Agreement - 1999-2001 Objectives)</p>	<p>Existing Objective (Indicate by "x" if this objective is one of your Performance Agreement - 1999-2001 Objectives)</p>
85% of students surveyed within one year of leaving a community college program will rate the college's instruction as "good" or better. (7210.01)		X

7 ALLOWABLE INFLATIONARY INCREASES

Agencies/departments use allowable inflationary increase rates to accurately project budgetary needs created by inflation for the current biennium and for planning for future bienniums. The rates presented in Attachment 1 of this section may be used to develop increases and/or decreases in those items subject to the inflationary factors. The increases and/or decreases computed for the continuation budget are then placed in Worksheet I in Columns 6 and 8. The procedures listed below outline the steps involved in using Attachment 1.

Procedures

The Inflation Factors Based Upon 1997-98 Actual Expenditures (Attachment 1) present the allowable inflationary increases which may be used by agencies in preparation of the 1999-01 biennium continuation budget and as may be necessary in preparation of expansion budget requests. For expansion requests, allowable inflationary increases are provided through the state fiscal year 2003-04 in order to estimate the five-year fiscal impact as required under G.S. 143-3.5. These rates may be used to develop the increases or decreases applicable to the respective items in an agency's budget without any further justification or documentation. In a situation where the rates are clearly not appropriate and a higher rate can be documented, the higher rate may be submitted for consideration by OSBM.

Attachment 1 contains inflationary factors which should be used for computational purposes. Columns 1 through 6 reflect the compounding of the allowable rates. These are the factors that should be applied to the 1997-98 actual amount and the results compared to the 1998-99 authorized expenditure account (object) to determine whether an increase or decrease should be made in the 1999-01 biennium.

- **Food, Drugs, and Medical Supplies:** Columns 1 through 6 for these items reflect the compounding of the allowable rate increases. In using these rates to determine the allowable increases, use the following formula:

$$(1997-98 \text{ Actual} \times \text{Compounded Rate}) - 1998-99 \text{ Authorized Amount} = \text{Allowable Change}$$

Stated another way, the formula would be: the amount in Column 3 of Worksheet I, multiplied by the compounded factor in Attachment 1, minus the amount in Column 5 of Worksheet I for the same item.

Example: To determine the amount of increase allowed for food for 1999-01 when actual expenditures for food for 1997-98 were \$500,000 and the authorized amount for 1998-99 is \$505,000:

<u>1999-00 over 1998-99</u>	<u>2000-01 Over 1998-99</u>
\$500,000 X 1.022 = \$511,000	\$500,000 X 1.044 = \$522,000
\$511,000 - \$505,000 = \$6,000	\$522,000 - \$505,000 = \$17,000

The amount of \$6,000 would then be entered in Column 6 for a 1999-00 increase and \$17,000 would be entered in Column 8 for a 2000-01 increase in the continuation budget in Worksheet I.

- **General Items - clothing, telephone service, water and sewer, and textbooks and educational supplies (for K-12 schools, including Department of Health and Human Services Schools, and N. C. School of Science and Mathematics).** Increases for these items will be considered only on a case by case basis on only documented usage and/or documented rate increases. (See Sample Utilities Worksheet Attachment 11.)
- **Purchase of Motor Vehicles:** To determine the prices of motor vehicles, agencies must first determine the *current contract purchase price* of the vehicle(s) to be purchased on the price list available from State Purchase and Contract. The total cost of all vehicles to be purchased, minus the recurring authorized amount on the Worksheet I, is the amount of increase or decrease shown on the Worksheet I. *Note: All one-time equipment included in the authorized budget (Column 5 of Worksheet I) should be removed to determine the amount for Columns 7 and 9 of Worksheet I that may be requested without supporting documentation.* If the amount requested for 1999-00 or 2000-01 exceeds the amount of recurring funds in the authorized column, a *Licensed Motor Vehicle Purchase Schedule (Attachment 8)* must be completed. If the amount requested for 1999-01 does not exceed the recurring amount in the authorized column, no schedule is required. Do not reduce this amount by the estimated trade-in value, but *show the trade-in value as a receipt*.
- **Electricity:** Increases for this item will be allowed for documented usage and/or documented rate increases only. (See Sample Utilities Worksheet Attachment 11.)

The basis for determining increased usage will be the average of the actual usage in state fiscal years 1995-96, 1996-97 and 1997-98.

The base for applying documented rate increases will be the average of the same three fiscal years as used for usage increase.

- **Natural Gas:** Increases for this item will be allowed for documented usage and/or documented rate increases only. (See Sample Utilities Worksheet Attachment 11.)

The basis for determining increased usage will be the average of the actual usage in state fiscal years 1995-96, 1996-97 and 1997-98.

For assistance contact an OSBM analyst.

The base for applying documented rate increases will be the average of the same three fiscal years as used for usage increase.

- **Gasoline and Fuel Oil:** To determine the allowable increase for these items, the projected rate per gallon in Attachment 1 is multiplied by the actual consumption in gallons in the 1997-98 actual year, minus the authorized amount.

Stated as a formula, the gasoline increase would be computed as follows:

(1997-98 Actual Gallons X Estimated Cost Per Gallon) - Authorized Amount = Change Amount

NOTE: Inflationary Increase for the State's Share of Locally Operated Programs (Jordan Adams) may be requested as an expansion budget increase only.

OFFICE OF STATE BUDGET AND MANAGEMENT
INFLATIONARY FACTORS BASED UPON 1997-98 ACTUAL EXPENDITURES

Section 7
Attachment 1

<u>Item</u>	(1) <u>1998-99</u>	(2) <u>1999-00</u>	(3) <u>2000-01</u>	(4) <u>2001-02</u>	(5) <u>2002-03</u>	(6) <u>2003-04</u>
<u>General (% Change)</u>						
Food	1.022	1.044	1.070	1.094	1.118	1.143
Drugs	1.035	1.076	1.119	1.164	1.210	1.259
Medical Supplies	1.030	1.061	1.093	1.126	1.159	1.194
<u>Gasoline and Fuel Oil (Price per Gallon</u>						
<u>Exclusive of Taxes)</u> ¹⁾						
Unleaded Regular Gasoline	0.55	0.58	0.60	0.63	0.66	0.69
87 Octane (\$/Gallon)	0.58	0.61	0.63	0.66	0.69	0.72
#2 Fuel Oil/Diesel (\$/Gallon)	0.56	0.58	0.61	0.63	0.66	0.69
Public School Motor Fuel (\$/Gallon)						

1) Due to the historically large short-term volatility of fuel prices, supplemental projected rates per gallon may be provided at a later date.

8. CAPITAL BUDGET

Capital improvement budget requests are for renovations, major repairs and maintenance to existing facilities, walks and road improvements, new construction, land purchases, Americans With Disabilities Act (ADA) Improvements, life safety code compliance, asbestos removal, and heating/air-conditioning requirements. Any renovations or repairs in excess of \$100,000 and all new construction will be requested through the capital improvement budget. One-time major equipment purchases will be requested in the operating expansion budget (Worksheet II). The form for requesting capital improvement funds is the *Worksheet III*.

8.1 Capital Improvement Budget (Worksheet III)

The *Six-Year Capital Improvement Needs Schedule* (Attachment 1), the *Summary List of Capital Improvement Requests* (Attachment 2), and the *Worksheet III* (Attachment 3) must be used for official capital improvement requests for 1999-01. Attached to Worksheet III will be an approved copy of the Office of State Construction form OC-25 (Sample Attachment 4) indicating the project cost as estimated by that office. No request will be considered without an approved OC-25. In addition, an approved site, or lacking an approved site, a detailed plan of action for the acquisition of an approved site must be included. Four (4) copies are to be submitted to the Office of State Budget and Management (OSBM) on light blue 8 1/2 x 11-inch paper by September 30, 1998.

Procedures

8.1a Six-Year Capital Improvement Needs Schedule

Departments will submit a Six-year Capital Improvements Needs Schedule. This schedule is an estimate of a Department's anticipated capital needs for each year of the six-year planning period, 1999-2005. Capital needs should be shown in two parts.

The first part should include requirements for repairs and renovations necessary to maintain the existing use of existing facilities. Each proposed repair and renovation expenditure should be justified by reference to the reports issued by the Facilities Condition Assessment Program (F-CAP) operated by the Office of State Construction in the Department of Administration. Each project included in this part should be justified by reference to the needs evaluation criteria for repair and renovation capital projects as described below in Section 8.1c-3a.

The second part of the capital improvement needs schedule should include proposals for land acquisition and projects involving either construction of new facilities or rehabilitation of existing facilities to accommodate uses for which the existing facilities were not originally designed. Each project included in this part should be justified by reference to the needs evaluation criteria for new capital projects as described below in Section 8.1c-3b.

8.1b Summary List of Capital Improvement Requests

List in priority order on the Summary List of Capital Improvement Requests (Attachment 2) the title and the 1999-00 and 2000-01 requested amount for capital improvement requests submitted by the department. For items involving receipts, show total requirements, estimated receipts, and appropriation requested.

8.1c Worksheet III. Capital Improvement Request

At the top of the Worksheet III (Attachment 3), indicate the department, division/program level, title of the project, and the priority with reference to the capital improvement request only. Repair and Renovation requests and new construction requests should be submitted in separate parts.

1. Description

For the 1999-01 requests, describe in detail the nature of the project (renovation, repair, new construction, major maintenance, boiler replacement, land purchase, etc.), the location within the state (including county), and the activities or functions for which the proposed project will be utilized. If a major utility, maintenance, renovation or repair project is involved, give the age of the facility, the date of the last significant improvement, and the date and results of any maintenance inspection or repairs conducted.

In the case of proposed buildings or major renovations, indicate the approximate amount of space and number of rooms needed for each activity listed above (i.e., classrooms--4,000 sq. ft., 10 rooms; offices--6,000 sq. ft., 40 rooms; dining area--600 sq. ft., 1 room; day rooms--5,000 sq. ft., 20 rooms; etc.). Also indicate the approximate areas that will be devoted to each activity or function for the request. For utility projects, indicate the extent of the purchase or development to date and elaborate on future needs for continued project funding. Describe any unusual construction requirements which might affect the cost of the facility (e.g., subterranean rock or extremely complex laboratories). State also how the facility will be air conditioned and the fuel source for heating purposes. In the case of proposed buildings, no request will be considered without either an approved site or a detailed plan of action for the acquisition of an approved site. For a proposed new facility, indicate the proposed location and whether it has been reviewed and approved by the Office of State Property. If this project has been requested previously, indicate when and state the agency priority given at that time. If construction or renovation of a facility involves the reallocation of space, advise as to the future use of the current facility and/or space currently being utilized. Also, indicate if there has been a review made by the Office of State Property, Department of Administration, relative to this space reallocation.

For major renovation projects, indicate if the capital improvement will result in the use of space currently not being used or if it will provide for the reallocation of currently utilized space. The justification must detail the total space reallocation plan affecting all programs involved with the renovation. Also, the cost must include estimates to remove asbestos if the presence of the substance is known to be in the facility and is expected to be disturbed during renovation.

Asbestos removal projects will be addressed in two ways: as emergency projects which create a harmful working environment for employees and as projects which must be funded due to unforeseen circumstances (i.e., renovation projects where no asbestos was anticipated). Priorities for asbestos removal funding will be developed by OSBM, the Office of State Construction, and the Department of Health and Human Services, Division of Health Services. Agency requests for asbestos removal funding must be submitted consistent with instructions in this document for other capital projects.

In the description, explain any relationship of a project to other planned or existing facilities and to any forthcoming expansion budget requests of the agency or institution. Also, cite any recent administrative or legislative actions related to the project requested. In addition, indicate if the project bears any relationship to or requires coordination with similar facilities currently under consideration by another state agency. If the project is incorporated into the master plan adopted for the department or institution, indicate that in the request.

2. Justification

The project justification for each capital request must be consistent with program objective statements and supporting statistical or narrative statements. It is imperative that a complete justification be provided indicating the need for the project in terms of past and future goals of the program. This *justification* obviously cannot be accomplished in short form; therefore, additional sheets should be attached as needed.

3. Project Selection Criteria

Give the standards and criteria used to document the need for the project as well as to determine its size and scope. Include in this description a detailed discussion of how funding for this project may impact on the receipt of federal, local, or private matching funds. Additional sheets should be attached, as needed.

- a. Following is a list of criteria that should be used to evaluate requirements for repairs and renovations necessary to maintain the existing use of existing facilities (Part I of the Six-year Capital Improvements Needs Schedule):

Preservation/Repair of Existing Facilities

- Does the project involve roof repairs and replacements?
- Does the project involve structural repairs?
- Does the project involve improvements to electrical, plumbing, or heating, ventilating, and air-conditioning systems?
- Has the project been inspected by the Department of Administration's Facilities Condition Assessment Program (F-CAP)?

Health and Safety Considerations/Standards

- Does the project meet fire and life safety code requirements?
- Is the project needed for mandatory compliance with the Americans With Disabilities Act (ADA)?
- Does the project involve repairs to meet federal, state, or other standards?
- Does the project involve fire protection/property protection/non-mandatory ADA requirements?
- Does the project involve improvements to remove asbestos, lead paint, or other contaminants, including leaking underground storage tanks?

Operational Efficiencies/Better Use of Space

- Does the project involve energy efficiency improvements/other operating budget savings?
- Does the project involve renovations to improve the use of existing space?
- Does the project involve historical restoration?
- Does the project involve improvements to roads, walks, drives, and parking lots?
- Does the project involve drainage improvements?
- Does the project involve landscape and other improvements?
- Will the project result in estimated energy savings?
- Will the project result in estimated operating costs savings?

Increased Demand for Governmental Services/Goals/Objectives/
Outcomes/Mandates

- What is the department's priority for the project?

Funding Considerations

- Is the project needed to match or supplement non-state funds?
- Has the project been previously planned?
- Are additional funds needed to complete the project?
- Does the department or division have other funds available to it for repair projects, such as receipts, trust funds, or line item appropriations?
- Will additional funds be needed for the next phase of the project?
- What is the estimated time it will take to complete the project?

- b. Following is a list of criteria that should be used to evaluate requirements for capital projects that are proposals for land acquisition and projects involving either the construction of new facilities or rehabilitation of existing facilities to accommodate uses for which the existing facilities were not originally designed.

Health and Safety Considerations/Standards

- To what extent does the project eliminate, prevent, or reduce a life safety or occupational hazard?

Operational Efficiencies/Better Use of Space

- What level of additional support will be required to operate the project once completed?
- What is the source of funds for future operating expenses?
- To what extent does the project contribute to savings in the state's operating budget or capital budget?

Increased Demand for Governmental Services/Goals/Objectives/Outcomes/
Mandates

- To what extent is the project necessary for the program to continue to provide services at the existing level?
- To what extent is the project necessary for the program to improve access to citizens and/or to improve existing services?
- To what extent is the project necessary for the program to improve the quality of existing services and to meet the program's expected outcomes?
- To what extent is the project necessary for the program to increase the quantity of services?
- To what extent is the project necessary for the program to meet the overall goals and objectives of the program?
- To what extent is the project necessary for the program to meet legislatively-mandated goals, objectives, and/or other requirements?
- To what extent is the project necessary for the program to meet goals and objectives of the Governor?
- To what extent is the project necessary for the program to meet goals and objectives of the Department Head?
- To what extent is the project related to other high priority projects?
- To what extent does the project enhance economic development in the locality, the region, and the state?
- To what extent does the project have broad and/or community support from users of the services provided?
- To what extent does the project have broad and/or community support from non-users of the services provided?

Funding Considerations

- Has the project been previously designed or planned? If so, from what source of funds and by what authority?
- Is the project currently under construction?
- Has the General Assembly previously made General Fund appropriations to the project, either for planning or construction? If so, when, and how much?

- Has the General Assembly previously authorized the use of non-state funds for the project, either for planning or construction? If so, when, how much, and from what source?
- If funds have previously been made available to the project, why are additional funds being requested?
- Are there funds, other than from the General Fund, available to support the project, either for construction and for operations? If so, provide source and amount.

4. Related Program Outcomes

If the project is requested to allow expansion or redirection of the department's services, describe the need for the project in terms of those services. For example:

- How many additional clients need to be served and how many will be served by the facility?
- What new services or additional units of service will be provided?

If the project is requested primarily to maintain current service levels, describe the need in terms of the following:

- What safety hazards to clients and employees currently exist?
- What code violations currently exist?
- What interruptions of service or backlogs of service or activity currently occur?
- If the request is delayed or denied, what will be the effect on the services, activities, or efficiency of the agency?

5. Schedule of Construction

Give, in chronological order, the proposed schedule of construction for the project. Include the approximate date for engaging the architect, the beginning construction date, the date of construction completion, and the date for occupation or utilization of the facility.

An approved Office of State Construction form OC-25 must be attached to the Worksheet III. This estimate is the method for determining the cost of the proposed project, excluding land purchase, and no request will be considered without the approved OC-25. Departments should coordinate this effort with the Office of State Construction.

6. Operating Costs

Estimate the additional operating costs, or savings, associated with the project, including program and maintenance staff, utilities, and future building maintenance, and the source of funds to operate the facility for the first five years of operation.

7. Receipts

Provide additional information, as requested, concerning receipts, if any, used to support the requested project.

8. Additional Information

Provide the requested information concerning the cost estimates, the location, and F-CAP reports.

For assistance contact an OSBM analyst.

8.2 Capital Budget Attachments

Attachment 1-R Six-Year Capital Improvement Needs Schedule Repairs

Attachment 1-N Six-Year Capital Improvement Needs Schedule New

Attachment 2 Summary List of Capital Improvement Requests

Attachment 3 Worksheet III Capital Improvement Request

Attachment 4 Sample OC-25

**SIX-YEAR CAPITAL IMPROVEMENT NEEDS SCHEDULE
REPAIRS**

Department _____

Institution or Program _____

<u>(In Thousands)</u>							
<u>Description</u>	<u>Source of Funds</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
		\$	\$	\$	\$	\$	\$

NOTE: List each project separately.

Submit 4 copies on 8 1/2 x 11-inch light blue paper.

SIX-YEAR CAPITAL IMPROVEMENT SCHEDULE REPAIRS

Department Human Resources
Institution or Program Division of Mental Health, Developmental Disabilities, and Substance Abuse Services

		<u>(In Thousands)</u>					
<u>Description</u>	<u>Source of Funds</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
Roof Repairs:							
Ward B-1	Appropriations	\$ 70	\$ -	\$ -	\$ -	\$ -	\$ -
Ward #3	Appropriations	-	35	-	-	-	-
ICF Renovations to Ward B-2	Appropriations	-	1,000 (Phase 1)	500 (Phase 2)	-	-	-
Road Repairs	Appropriations	20	20	10	-	-	10
Air Condition Patient Areas (Name Separately)	Appropriations	-	50	55	60	60	-
OSHA & Architectural Barrier Removal (Name Separately)	Appropriations	20	20	20	20	10	10
Renovate Electrical Distribution Systems	Appropriations	-	-	25	-	-	-

NOTE: List each project separately.

Submit 4 copies on 8 1/2 x 11-inch light blue paper.

**SIX-YEAR CAPITAL IMPROVEMENT NEEDS SCHEDULE
NEW**

Department _____

Institution or Program _____

(In Thousands)

<u>Description</u>	<u>Source of Funds</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
		\$	\$	\$	\$	\$	\$

NOTE: List each project separately.

Submit 4 copies on 8 1/2 x 11-inch light blue paper.

SIX-YEAR CAPITAL IMPROVEMENT SCHEDULE NEEDS

Department Human Resources
Institution or Program Division of Mental Health, Developmental Disabilities, and Substance Abuse Services

		<u>(In Thousands)</u>					
<u>Description</u>	<u>Source of Funds</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
New Dorm	Student Fees	-	-	50 (Design)	1,500		
New Chilled Water System	Federal Grant	-	-	-	40	-	-
New Administration Building	Appropriations	-	-	-	-	100	1,800

NOTE: List each project separately.

Submit 4 copies on 8 1/2 x 11-inch light blue paper.

SUMMARY LIST OF CAPITAL BUDGET REQUESTS

Department _____

Capital
Priority
Number

Project Description

	<u>1999-00</u>	<u>2000-01</u>
Requirements	\$	\$
Receipts (Source)		
Appropriation	\$	\$
Requirements	\$	\$
Receipts (Source)		
Appropriation	\$	\$
Requirements	\$	\$
Receipts (Source)		
Appropriation	\$	\$
Total Requirements	\$	\$
Total Receipts		
Total Appropriation	\$	\$

Submit 4 copies on 8 1/2 x 11-inch light blue paper.

SUMMARY LIST OF CAPITAL BUDGET REQUESTS

Department Environment, Health, and Natural Resources

Capital Priority Number	Project Description		1999-00	2000-01
1.	Purchase of State Land	Requirements	\$ 1,000,000	\$ 1,000,000
		Receipts (NHTF)	500,000	500,000
		Appropriation	\$ 500,000	\$ 500,000
2.	Reserve for Water Resources Project	Requirements	\$ 2,000,000	\$ 2,000,000
		Receipts (Federal)	1,000,000	1,000,000
		Appropriation	\$ 1,000,000	\$ 1,000,000
3.	Construction of Storage Buildings	Requirements	\$	\$ 300,000
		Receipts		0
		Appropriation	\$	\$ 300,000
		Total Requirements	\$ 3,000,000	\$ 3,300,000
		Total Receipts	1,500,000	1,500,000
		Total Appropriation	\$ 1,500,000	\$ 1,800,000

Submit 4 copies on 8 1/2 x 11-inch light blue paper.

WORKSHEET III CAPITAL IMPROVEMENT REQUEST

Department _____

Division/Program _____

Project Title _____

On an attached sheet(s), provide the following information:

1. Description, including space, type of structure, age of buildings, number and type of persons served, and any unusual construction or repair problems anticipated.
2. Justification.
3. Criteria used to select this project as a recommendation.
4. Define all program outcome for this capital investment.

In the space provided below, provide the following information:

5. Schedule of construction, repair, etc. requested.

6. Operating costs:

	First Year of Operation FY_____	Second Year of Operation FY_____	Third Year of Operation FY_____	Fourth Year of Operation FY_____	Fifth Year of Operation FY_____
Staff (Additional Annual Cost) (Include # of <u>Additional</u> Employees)	\$	\$	\$	\$	\$
Maintenance (<u>Additional</u> Annual Costs)					
Other Operating (<u>Additional</u> Annual Costs)					
Special Equipment/Furnishings <u>Not</u> Included in Construction Request					
Total Requirements					
Less Receipts					
Appropriation					

7. If operation is supported from receipts, give current level of receipts, increase in rates, if necessary (from _____ to _____), and any restrictions on the use of these receipts by federal or state law. _____
8. Does the project have an approved OC-25 attached? Yes ____ No _____. An approved OC-25 must be submitted for every capital improvement request.
9. If new construction, where is the proposed location? _____
Has this proposed site been approved by the Office of State Property? Yes ____ No ____
Is the proposal site currently owned by the State of North Carolina? Yes____ No _____ (If "No," a complete plan for acquisition must be attached.)
10. If repair or renovation, has this facility been inspected by the Office of State Construction's F-CAP team? Yes ____ No ____ If so, when? _____
11. For additional information contact _____ at telephone number _____.

Submit 4 copies on 8 1/2 x 11-inch light blue paper.

WORKSHEET III CAPITAL IMPROVEMENT REQUEST

Department Agriculture

Division/Program North Carolina Maritime Museum

Project Title Potter Property Purchase

On an attached sheet(s), provide the following information:

1. Description, including space, type of structure, age of buildings, number and type of persons served, and any unusual construction or repair problems anticipated.

The Potter property consists of a wood frame residential structure on a lot facing Orange Street, the back of which adjoins the rear of the Museum's property in Beaufort, North Carolina. The 1,264 square foot house would be converted to office and work space for functions now carried out in the main museum building. The rear of the Potter lot would be used as an outdoor display area.

2. Justification.

The Museum has nearly exhausted its available display and collections space. The most logical course is to convert the use of space within the buildings that already attract the public. This displaces employee offices, but it allows us to move incompatible functions, such as printing, out of the public areas.

3. Criteria used to select this project as a recommendation.

This property would be a good purchase because of its proximity and orientation to the main museum building. The structure can be easily and economically converted to offices and work areas.

4. Define all program outcome for this capital investment.

This purchase would free up 1,100 square feet of space in the main museum for more desirable public-oriented uses. It would provide outdoor display space for 6 - 10 boats. It will also provide temporary space to relocate employees displaced by the demolition and replacement of the Harborside building.

In the space provided below, provide the following information:

5. Schedule of construction, repair, etc. requested.

Date for Engaging Architect	<u>September 1998</u>
Beginning Construction Date	<u>October 1998</u>
Construction Completion Date	<u>November 1998</u>
Occupation Date	<u>December 1998</u>

6. Operating costs:

	First Year of Operation FY <u>1999-00</u>	Second Year of Operation FY <u>2000-01</u>	Third Year of Operation FY <u>2001-02</u>	Fourth Year of Operation FY <u>2002-03</u>	Fifth Year of Operation FY <u>2003-04</u>
Staff (Additional Annual Cost) (Include # of <u>Additional</u> Employees)	\$25,000 (1.00)	\$25,000 (1.00)	\$25,000 (1.00)	\$25,000 (1.00)	\$25,000 (1.00)
Maintenance (<u>Additional</u> Annual Costs)	2,000	2,000	2,000	2,000	2,000
Other Operating (<u>Additional</u> Annual Costs)	3,500	3,500	3,500	3,500	3,500
Special Equipment/Furnishings <u>Not</u> Included in Construction Request					
Total Requirements	\$30,500	\$30,500	\$30,500	\$30,500	\$30,500
Less Receipts	0	0	0	0	0
Appropriation	\$30,500	\$30,500	\$30,500	\$30,500	\$30,500

7. If operation is supported from receipts, give current level of receipts, increase in rates, if necessary (from _____ to _____), and any restrictions on the use of these receipts by federal or state law. _____

N/A

8. Does the project have an approved OC-25 attached? Yes X No _____. An approved OC-25 must be submitted for every capital improvement request.
9. If new construction, where is the proposed location? N/A
Has this proposed site been approved by the Office of State Property? Yes ____ No ____
Is the proposal site currently owned by the State of North Carolina? Yes ____ No ____ (If "No," a complete plan for acquisition must be attached.)
10. If repair or renovation, has this facility been inspected by the Office of State Construction's F-CAP team? Yes ____ No ____ If so, when? _____

N/A
11. For additional information contact Bob Jones at telephone number 733-1234.

Submit 4 copies on 8 1/2 x 11-inch light blue paper.

9. SURVEY OF FEES

General Statute 143-11(3) requires that the Director of the Budget accompany the recommended biennial budget with a report on the fees charged by each state department or institution, the statutory or regulatory authority for each fee, the amount of the fee, when the amount of the fee was last changed, the number of times the fee was collected during the reporting period, and the total receipts from the fee during the reporting period. For the 1999-2001 biennial budget, the *Survey of Fees* (Attachment 1) will be prepared based on the actual receipts of fiscal year 1997-98.

9.1 Survey of Fees

Submit one (1) copy of the above referenced schedule on 8 1/2" by 11" white paper to the Office of State Budget and Management (OSBM) by October 16, 1998.

Prepare a separate report **for each budget code** which has fees to be reported under the above referenced requirements.

Note: All information should be completed on the Survey of Fees report. Attachments are not to be referenced within the context of the report. The agency shall use the same numbers for the fee report, statistics, and actual receipts shown for 1997-98 on the Worksheet I, and statistics and/or actual receipts for the performance budget.

Procedures

9.1a General Information

- Line 1 reflects the **Department** name for the department for which this report is prepared. (Do not abbreviate.)
- Line 2 reflects the **Budget Code** number for the department for which this report is prepared.
- Line 3 reflects the **Fiscal Year** for which this Survey of Fees is prepared.

9.1b Specific Information for Each Fee Collected

- Line 4:

Column A reflects the **Fund Number** from the North Carolina Accounting System (NCAS) Chart of Accounts Fund number where the receipts are recorded. (The program number used in performance/program budgeting (P/PB) will not be used on this report, since the report represents actual year information for 1997-98 and P/PB will not include actual year information.)

Column B reflects the **Account (Object) Number** from the NCAS Chart of Accounts receipt account (object) number where the receipts are recorded. This account (object) number must be shown at the lowest level of detail shown on the NCAS Chart of Accounts (up to nine digits).

Column C reflects the **Fee Title or Description** of the individual fee which is being reported. (Do not abbreviate.)

Column D reflects the **Statutory/G.S. Authority** for collection of the fee. Reference the General Statute or appropriate reference which authorizes the collection of the fee.

Column E reflects the **Fee Rate** or the level established for the fee collection as of June 30, 1998. The fee rate should be indicated at the actual level authorized. If more than one fee rate is established for the fee title, use the highest rate and the lowest rate of the fee rates set. The department should attach a copy of the rate schedule which supports the range of fees. Do not use the word "Various" to indicate more than one rate. List all rates if appropriate.

Column F reflects the **Date of Last Change in the Fee Amount** which is the last month/day/year of a rate change in this fee. The date should be the numerical equivalent of the date (For example, November 1, 1985 would be reflected as 11/01/85.)

Column G reflects the **Frequency of Collections** within the reporting period. If the frequency is quarterly, use the number four (4); monthly would be reflected as twelve (12), etc. Do not use the words "quarterly, annually, monthly" or other descriptions to indicate the frequency of collections.

Column H reflects the **Total Number of Collections** during the report period, 1997-98. (For example, if a fee is collected quarterly (4) from twenty (20) individuals each quarter, the number of collections is 80.)

Column H reflects the **Total Amount Collected in 1997-98**. This is the total collections for the fee during the reporting period. The total collections should be rounded to the nearest dollar for this report. (For example, if the rate of the fee is \$10 and the number of collections is 100, the total amount collected will be \$1,000.)

Repeat this process for each fee collected by the department.

For assistance contact an OSBM analyst.

9.2 Survey of Fees Attachment

Attachment 1 Survey of Fees

1	Department:		
2	Budget Code:		
3	Fiscal Year:	Actual - 1997-98	

4

For online access:
<http://www.osbm.state.nc.us/instructions/>

1	Department:	ABC Institution	
2	Budget Code:	13035	
3	Fiscal Year:	Actual - 1997-98	

4

For online access:
<http://www.osbm.state.nc.us/instructions/>

10. GLOSSARY

Account (Object) Number (budget object): An accounting unit in the North Carolina Accounting System (NCAS) composed of a six- or nine-digit number, currently used for budget control for line items of expenditure or receipt.

Action Plan: An agency approved plan that describes an action or initiative that will change the work processes and/or supporting resources in an organization and specifies the expected impact of these changes on organizational outputs and outcomes. An action plan includes a description of the problem or issue addressed by the action or initiative.

Activity: An action or a service the government performs. For example, in the healthy baby program, one activity is the counseling that is offered.

Activity Measure: A type of performance/program measure representing an action or a service the government performs or a measure of the specific service (or good) produced by the government activity. For example, in a healthy baby program, the number of hours of counseling conducted or the number of clients participating in the program would be activity measures.

Agency Request: Worksheet I submitted by agency to OSBM which reflects the budget request based on the authorized year budget and adjustments allowed by budget instructions.

Authorized Budget: The current year budget (1998-99).

Current Operations Chart: Descriptive information about an organization's work operations relative to its performance and resource requirements. Work operations are categories of logically- and operationally- related activities which describe the responsibilities of a work unit.

Effectiveness: Degree to which program activities are producing the desired outcomes. An effective program accomplishes its objectives. An effective program is not necessarily efficient--the same results might be achieved at lower cost. An efficient program is not necessarily effective if it is not having the desired impact.

Efficiency: Degree to which a program is operating in the least costly way. (Is the program using its resources--money, staff, time--as well as it can?) A program can be efficient but not effective if the activities are not accomplishing the desired outcomes.

Element: Component of a subprogram that is narrower in scope. Some subprograms can be broken down into elements.

Fund Number (first four positions of the NCAS Center field): (budget fund) An accounting unit currently used for budget control. In addition to the fund number, a program number will be used in budgeting and accounting to represent the classification of funds and activities in program area classification outline. (See "Program Number" for additional information.)

Goal: Represents a broad policy commitment to get desired results. A goal encompasses programs, subprograms, elements, and activities directed toward achieving that goal. Goals are grouped by program areas. For example, one goal of the program area “Environment” is “Avoid and Reduce Pollution;” another is “Conserve Natural Resources.”

Incr/Dec Over Authorized: Two columns appearing on the Worksheet I (one for 1999-2000 and one for 2000-2001) where agency enters adjustments to the current year budget to arrive at an agency requested budget for submission to the OSBM.

Incr/Dec Over Request: Two columns appearing on the Worksheet I (one for 1999-2000 and one for 2000-2001) reflecting any necessary adjustments to the agency request made by the OSBM to arrive at a Recommended Budget.

Inflationary Increases for Local Programs (Jordan-Adams): The North Carolina General Assembly passed legislation (G.S. 143-10.A), effective July 1, 1991, which required OSBM to include “information that adequately and fairly reflects the continuation costs for the state’s share of locally-operated programs established by statute or state appropriation.”

Key Performance Measure: A carefully selected measure for which an organizational entity is willing to set targets and for which they agree to be accountable. Key Performance Measures should represent the outcome(s) an organizational entity is working to achieve, or agency operations and outputs identified as most critical to achieving the outcome(s).

Mission Statement: A broad statement of the role and/or duties with which an organization is charged, and which are carried out through its daily operations.

Objective: A clearly defined target or milestone which is aimed for in the pursuit of a goal and related outcomes (expected result).

Operations Plan: Description of how programs will be operated and resources will be managed to perform on-going activities and achieve agreed-upon targets at a given level of funding. Includes documentation of organizational mission, goals, objectives, and activities, along with supporting measures. *Current Operations Chart and Performance Agreement* are components of an operations plan.

Organizational Entity: Any department, agency, institution, or subdivision thereof, as well as boards and commissions, supported through the State Budget.

Outcome: A result, an impact on a problem, an effect on the customer or client, an accomplishment toward a policy commitment, or what a specific government activity or set of activities is trying to achieve. For example, in the healthy baby program, one outcome would be full-term healthy babies.

Outcome Measure: A type of performance measure representing the results of specific government activity or groups of activities. For example, in the healthy baby program, one outcome measure would be the percent of participating women who deliver normal weight babies. An outcome measure is directly related to an objective. The outcome measures are the tools used to assess the objectives.

Output: A statement of the amount of work done or produced that is considered important to the accomplishment of the end results.

Output Measure: A type of performance measure representing the amount of work done or produced by a specific operation. For example, in the Health Baby Program, one output measure would be the number of pregnant women counseled.

Performance Agreement: A commitment made by agencies to perform or produce at certain predetermined target levels. The Performance Agreement includes Objectives, Key Performance Measures and Targets.

Performance Measure: Measures used for assessing the effectiveness and efficiency of state government operations. These measures include measures of outcome, output, productivity, and efficiency.

Program: A grouping of state activities with a common purpose, common clients, and/or common outcomes. A program is part of a goal but is more narrow in scope. Depending on the purpose expressed in the state statutes and regulations, a program may be divided into subprograms, just as goals encompass programs. For example, “Preserve and Enhance Water Quality” is one program of the goal “Avoid and Reduce Pollution.”

Program Area: A division of the state’s public policy goals, as defined in the North Carolina General Statutes, divided into ten classifications. Each program area groups together specific goals that are related. A program area has no organizational boundaries because it is not limited by the activities or responsibilities of one department. Program areas are Corrections, Cultural Resources, Economic Development and Commerce, Education, Environment, General Government, Health, Justice and Public Safety, Human Services, and Transportation.

P/PB Classification: An outline of goals and programs based on the intent expressed in the General Statutes and the North Carolina Constitution. A program classification is used to classify state government activities on the basis of purpose rather than departmental organization. Each of ten program areas has a program classification with four possible levels: goal, program, subprogram, and element.

Program Number: An accounting unit corresponding to the P/PB classification organization. The Performance/Program Budget will account for each level of the program classification with a single program number. Individual digits in the program number will signify the program area, program, subprogram, and element represented.

Recommended Continuation Budget: The Governor's Recommended Budget, as developed by the OSBM after reviewing the agency request (submitted as Worksheet I) and making any necessary adjustments.

Results: Outcomes, or more specifically, the actual values of an outcome measure. For example, in a healthy baby program, a result would be the actual percent of participating women who deliver normal weight babies in a given time period.

Strategic Scan: Describes the social, economic, and political trends which have implications for an organization's policies and performance and specifies these implications in terms of the organization's Current Operations Chart(s).

Subprogram: Component of a program that is narrower in scope. Depending on the purpose expressed in the state statutes and regulations, a subprogram may be divided into elements, just as some programs encompass subprograms. For example, "Ground Water" is a subprogram of the program "Preserve and Enhance Water Quality."

Target: A specific value or level of performance for which agencies agree to be accountable.